Special Report on Utilities at War (p. 17-32)

THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

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Vol. XXXVI | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, MARCH 21, 1942 | 10c a Copy; $5.00 a Year | No. 12

The Nation's Business

Should We Intern All Our Japanese?

Canada must move quickly and decisively in solving its Japanese problem. Just removing a few recognizable fifth columnists from Japanese colonies along the vulnerable coast of British Columbia is not enough. A policy covering the whole of the twenty to thirty thousand people of Japanese origin living in Canada is demanded by public opinion.

We are only inviting a repetition of what happened in Malaya and the Philippines by waiting until trouble actually develops before we move. By that time it will be too late; our defense forces would be put under a grave and unnecessary handicap.

This week The Financial Post made a survey of representative Canadian opinion on the Japanese question. Answers to the question of what should be done with our Japanese were practically unanimous: all must be removed at once from their present location along the coast and for the duration of the war placed in a position where they would no longer be a menace to our national defense. If they could work and earn their keep under these conditions so much the better, but it was emphasized that simply transferring these people en masse from the coast to some inland community, where they would be expected to compete with local industry, would not be a solution. It was also emphasized that the problem was a national one, not just the responsibility of British Columbia.

At the beginning of the war Britain faced a similar serious problem with her German and Italian colonies. It was known that some of these people had come to Britain to escape the Nazis and Fascists. In that event they would make valuable allies. But it was also known that among the groups there were many enemy sympathizers and quite likely some accredited agents.

In the easygoing days prior to Dunkirk, Britain adopted the generous and chivalrous course. Only suspected enemy agents were locked up. So long as a man or woman pretended to behave he or she was unmolested. After Dunkirk, however, when the danger of invasion became acute, a more ruthless but effective plan was adopted. Virtually all enemy aliens were placed under guard. Then those who could demonstrate that they were not dangerous in any way were gradually released.

Canada faces an even more serious problem than that which confronted Great Britain after Dunkirk. Our Japanese are settled in our most vulnerable areas. They are probably more familiar with our Western seacoast than most of the white residents of British Columbia. Moreover the whole question is complicated by the fact that many of these people are Canadian born. Technically these are Canadian citizens. But practically they are far from being assimilated into Canadian life.

The potential danger of having these people loose in Canada may well be so great that the government would be justified in removing them all, foreign as well as native born, into the interior, and holding them under guard. After the war we shall have to consider whether or not Japanese settlements in Canada will be permitted at all. We may decide, then, to depopulate Canada entirely of Japanese by some humane form of transfer back to Japan.

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MUST HAVE SUPERIOR WEAPONS

"Not only did the number of our guns increase; but the range and shell power were increased also.

"Remarkable as these improvements were, the German gun designers had an initial lead which we were never able to make up; and at the end of the war their weapons still outranged us on the average, gun for gun, by nearly 30%.

"Put shortly, the situation in 1917 and onward, was that the Germans had the advantage in QUALITY of artillery material; we in quantity, organization and tactical employment."

These words were spoken by General McNaughton in an address before the Canadian Club of Toronto on February 16, 1920.

Twenty-five years after 1917 there is evidence that the Germans still have an edge on us in quality of certain weapons at least. Their tank guns outranged our guns in Libya.

British planes have stood up, plane for plane, against the Germans.

Canadian-made motor transport has stood up against the enemy wherever it has been used.

The reason we have better planes is chiefly because the Royal Air Force—the user—stated what it needed; the plane designers and manufacturer produced the types.

The reason we have better motor transport is that, again, the army stated what it wanted the trucks and carriers to do; the engineers and technicians of the industry had a hand in their design.

Surely such facts present their own lesson. What they demonstrate is the need for a fusion of the technical demands of the fighting forces with the technical genius of our great mass production industries to achieve better weapon types all down the line.

How can we achieve such a fusion? The obvious way is to set up a joint council of ordnance chiefs and industrial engineers.

A North American Council of Design and Development of the weapons of war would help us to get not only more "tools" of war than the enemy has; but better tools. We won't win this war with planes, tanks and guns that are less efficient than the enemy brings into action against us.

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MOTOR CARS CAN AID WAR EFFORT

The authorities and the car owners of Canada must be practical in the new programme to conserve gasoline. We are in a war of survival and to win we must make the greatest possible use of our resources, including our motor cars.

Little would be gained and much valuable time lost if the million and a half Canadian motor cars were arbitrarily locked in their garages for the duration. Other existing forms of transportation would be inadequate. There would be hopeless confusion and delay. This country's vast development of the last two decades has been substantially based on automotive transport. Many of our cities and suburbs and practically all of our towns and villages are absolutely dependent on it.

Take away the motor car and there would be paralyzing dislocation. Business executives who are now able to make a dozen vital contacts in a single day would need a week. Thousands of workers who live miles from the new war plants would be stranded. We need sacrifice in this war of survival that we are fighting, but it must be intelligent sacrifice. There is no object in doing without something that is vital if we are to do an efficient job. And motor cars are vital in the conduct of much essential business in wartime. They are needed for quick trips between scattered plants, for keeping men charged with the production of necessary materials, in touch with all phases of their job.

We have so much gasoline and so much rubber available. It is of utmost importance that this be conserved for essential driving; we cannot afford a single drop or a single ounce for joy riding. This should be the guiding policy of our general curtailment programme of which gasoline rationing after April 1 is a part.

Non-essential consumption must be eliminated in order that there be enough supplies left for the efficient carrying on of necessary business.

Plan New Business Tax Base

Ontario Municipalities and Business Interests Propose New Revenue Scheme

Full-scale study of the whole system of business taxation in Ontario is now being carried on by the province's Department of Municipal Affairs. This action has come in response to declarations by Ontario merchants and municipalities that the present system is no longer equitable. Owing to the extended nature of the study required, it is probable that some time will elapse before the province comes to any decision on the proposed changes.

This is as forecast in the current issue of Hardware and Metal magazine.

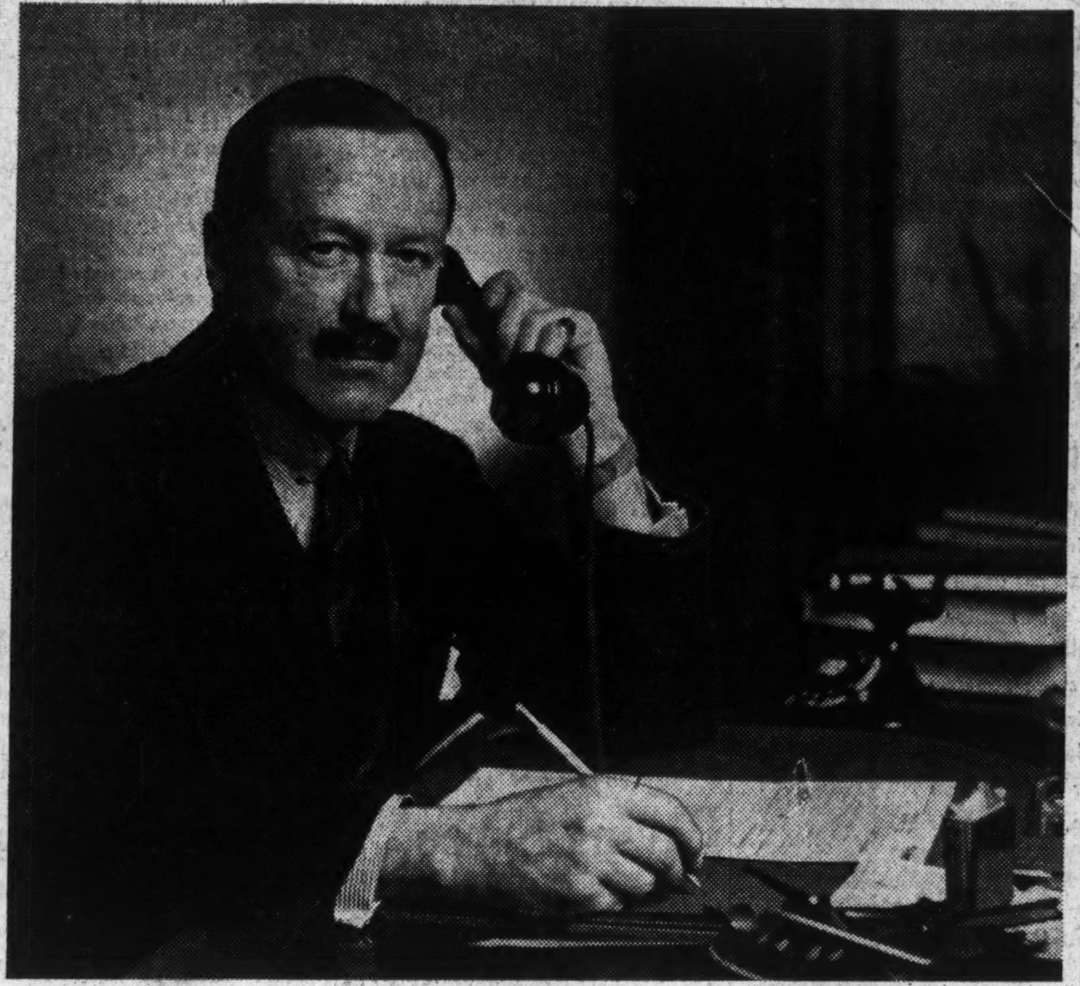
Basis for the present business assessment tax is the floor area used for the carrying on of a firm's operations. However, a business with a relatively small floor space may carry on a volume of business much larger than one with a large space and a comparatively small turnover.

It is asserted by the petitioning merchants and municipalities that a tax based on the actual total volume of business done would be fairer than the current method which pays no attention to the turnover but only to the physical size of the business site.

The proposed new system cannot be properly called turnover taxation as the turnover would only act as a guide to determine what portion of that turnover would be assessed for taxation. A tax cannot be passed on to the purchaser as this would be invasion of a Dominion field.

Revision of the business tax along the lines of a levy based on volume of business done would have an important broadening effect which, it is claimed, would tend to lighten some of the burden on real estate. Proponents of the scheme feel that it would also mean an appreciable increase in tax revenue. Suggestion at the moment is that the province would collect the new type tax and then refund a portion to the municipalities. This increased return, it is suggested, would at least partially compensate the municipalities for the loss in revenues they have suffered in other directions.

Biggest Tax-taker



—Photo for The Financial Post by Karsh.

To collect the taxes that make the wheels of war go around is the job of Hon. Colin W. G. Gibson, Minister of National Revenue. Under his guidance collections of income, customs and excise taxes for the fiscal year just ending will approximate $1.3 billion, triple the prewar level. To pipe-smoking, busy Colin Gibson the National Defense Tax meant the addition of some 1.2 million new taxpayers; this year his department will handle four million documented returns against 2.8 millions in 1941, 2 millions in 1940.

Canada's Mammoth Shell-out

Income Tax Month Record Fiscal Event

By STAFF WRITER

OTTAWA.—This is the most gargantuan tax month in Canadian history. Though it may be far outstripped in dollar value and number of "customers" as the war rolls on, it is by all odds the most outstanding "fork-out" month ever experienced by this country.

Consider some of the facts:

Tax receipts from all sources will considerably exceed $1.3 billion for the fiscal year now closing. The comparable figure a year ago was $773 millions. The year previous (ending March 31, 1940) it was $450 millions or one third the present total.

Excise duties and taxes have already topped the $500 millions mark in the first 11 months of the fiscal year. The yearly total should exceed $550 millions—almost three times the prewar total and 10% above the budget estimate.

Over 4 Million Returns

Number of documented returns handled by the income tax department will exceed the 4 million mark. These come from 1,200,000 payers of national defense tax; from the 695,000 income taxpayers who had made returns up till the end of February; from security holders, succession duty and corporation taxpayers.

Combined receipts from income tax, defense tax, profits tax and succession duty sources have exceeded $538 millions. When March returns are completed, the total will range between $600 and $650 millions, due to the fact that personal income tax returns will for the first time be included at the end of a fiscal year.

This is because the date for making these returns has been moved from April 30 to March 31. The $600-650 millions figure compares with a total of about $140 millions prior to the war.

Custom duties, though almost double prewar figures will fall short of previous high records established in 1929. The 1941-42 figure is expected to strike between $140 and $150 millions.

Most spectacular expansion has been the broadening and growth of the income tax branch.

In the fiscal year ended March 31, 1939, there were 279,000 taxpayers (corporation and individuals) who netted the Treasury $142 millions.

The following year this had increased to 311,000 taxpayers who

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U. S. Inflation May Equalize Dollars

Internal Buying Power of U.S. and Canadian Dollars Moves Closer as U.S. Living Costs Move Higher

By KENNETH R. WILSON

OTTAWA.—As the groundswell of rumor rises that Canada will shortly move to obtain dollar parity with the U. S., some striking and hitherto unrelated facts emerge:

1. Maintenance by Canada of a price ceiling has brought a new and very decisive factor into normal Canada-U. S. dollar relationships. As prices rise in the U. S. A., it is the American dollar that is losing value. It may soon be worth less than the Canadian dollar in terms of internal buying power.

2. Henceforth the relative purchasing power of the two countries, as expressed in terms of a yardstick such as cost of living indices, will have greatly increased importance.

3. If the U. S. price level gets far out of line with the Canadian price ceiling, we may experience not only dollar parity but the phenomenon of U. S. dollars selling at a considerable discount in Canada.

No Change Needed Now

4. At the moment, U. S. "purchasing power" is not considered to be sufficiently "out of hand" nor out of line with Canada to warrant any immediate change in the Canada-U. S. fixed exchange rate. But if there were nationwide wage increases in the U. S. they would, however, be considered an inflationary factor of first magnitude—a definite inflationary danger signal which could not be disregarded in Canada.

5. So long as the war lasts, the relative position of the pound sterling is considered of little consequence in determining Canada's dollar relationships with the U. S. The billion dollar gift by Canada to U. K. has eliminated any possible adverse effect which Canada would feel through further depreciation of the pound sterling.

6. Confiscation of the present export premium as a possible alternative to dollar parity is not being seriously considered. That plan is deemed a form of taxation — a crude and undesirable tax on gross earnings.

Suitable price indices to measure precisely the relative purchasing power of the Canadian and the U. S. dollar are not readily obtainable. This is because individual indices in each country are not strictly comparable. Each government issues, however, a cost-of-living index. These, in turn, are computed monthly on a common base by the Bank of Nova Scotia. The base is August, 1939, equals 100. The Canadian index applies as at the first of the month and the U. S. figures as at the middle of each month. As a rough and ready measure of the internal real values of the two currencies, these indexes are the best available gauge.

U. S. Rising Rapidly

In January (latest available) the total cost-of-living index for the U. S. on this basis stood at 113.5 compared with 114.5 for Canada. The U. S. index is, however, rising rapidly — at a rate equal to or exceeding the rate at which Canada's cost-of-living index was rising last summer prior to introduction of the price ceiling.

It seems likely that for February the U. S. index on a comparable basis will have outstripped the Canadian figure although as recently as last November there was a spread of over 3.5 points with the U. S. rate being lower. In the past 12 months the U. S. index has risen 11% compared with an increase in the Canadian index of about 6.6%.

It's Canada's Choice

Underlying this whole approach to the question of Canada-U. S. dollar relationships is a firmly-held belief that Canada herself can and will continue to determine the question of whether or not her dollars will sell at par, at a greater premium or even at a discount with the

(Continued on page 2, col. 5)

Freight Rate Increase Hits Price Board Snag

Application of Canadian railway companies to the Board of Transport Commissioners for permission to increase freight rates on import and export traffic between points in Canada and Canadian ports to or from Newfoundland has been made. The Canadian railroads seek an increase similar to that granted recently to United States roads, said to average about 6% on freight.

On the application for an increase in rates in Canada similar to that allowed in the U. S. on shipments in either direction between Canada and the United States permission was granted. This action apparently followed the precedent established some time ago.

Some years ago when a similar boost was put into effect, the Board of Railway Commissioners refused a boost in the Joint Canada-U. S. rates. The U. S. railways then ruled, with the approval of the Interstate Commerce Commission, that on all freight originating in the U. S. the increase would apply and would be collected at the point of origin. They also ruled that on freight originating in Canada, the increase would apply and would be collected at point of arrival.

Effect of this was that the shippers paid the increase and the U. S. railroads got the entire benefit of it. This experience left no alternative to accepting the joint lines increase.

U. S. Columnist Team Slaps Canada Over Air Operations to Alaska

By RONALD A. KEITH
Editor, Canadian Aviation

The ambitions of an American airline company would appear to be linked with a story given wide circulation in the United States which Canadian government and aviation authorities term "grossly unfair."

Northwest Airlines for some time has been seeking commercial operating rights across the Canadian prairies to Alaska.

The Washington columnists, Pearson and Allen, published a story implying that Canadian authorities were obstructing U. S. defense operations in Alaska.

"Inside Story"

In their syndicated American newspaper column, "Washington Merry-Go-Round," Drew Pearson and Robert S. Allen, blamed Hon. C. D. Howe for "haggling" and "causing countless delays to the Army" in the matter of flying Army equipment to Alaska via the Canadian prairies and the Yukon route. They said:

"Here is the inside story on how the Army finally got permission to improve and develop a new short-cut air route over the prairies of Canada to Alaska.

"Last Sunday night, Senator Scott Lucas of Illinois telephoned to Undersecretary of War Robert Patterson.

"'If the Army doesn't act on this immediately,' Senator Lucas said, 'I'm going to start a Senate investigation within 24 to 48 hours. It's about time we knew whether the Canadians were with us or not. I'm a friend of the President's and a strong administration supporter, but if he doesn't act, the Senate is going to.'

"The Senator from Illinois was referring to the fact that two days before, a Northwest Airlines plane had left to pioneer the new air route over Canadian prairies, had been stopped by Canadian officials, impounded for 48 hours and then forced to return to the United States.

"Lucas' threat was sufficient. Early the next morning, White House Secretary Marvin MacIntyre phoned him to 'hold his horses,' that everything would be OK.

"A few hours later, the Northwest Airlines plane flew back to Canada to begin setting up ground crews, radio equipment, and technicians, not for a commercial route but on behalf of the Army.

"Howe has no objection to the U. S. Army flying over Canada, but like a good many U. S.-British businessmen he is looking beyond the war. And he seems adamant against a U. S. commercial airline getting a foothold over any part of Canadian territory—especially a route which after the war will be the short-cut over Alaska to Asia. And he haggled for several weeks, while precious time passed, vital to the strengthening of Alaska."

Broke Regulations

The incident of the grounding and delaying the Northwest Airlines resulted simply from the fact that this Northwest ship broke strict regulations by doing an unauthorized flight from Winnipeg to Edmonton and the plane was held pending receipt of the necessary Canadian government authority according to aviation officials at Ottawa.

When the U. S. Army officially made known its wish to have Northwest fly the route under contract as a military operation, the authority to do this was granted immediately and without question by Canada, these officials declare. The same co-operative attitude prevailed in the recent granting of authority for Northwest Airlines to

(Continued on page 2, col. 5)

Plan Cuts in Use of Electricity

Give Aluminum Right of Way – Rush New Sources

From Our Own Correspondent

MONTREAL.—Though having a greater per capita production than any other country in the world, Canada is faced with the immediate problem of finding sufficient electrical energy to meet further sharp expansion in wartime power needs.

Basically the problem arises from the fact that substantial additions to Canada's aluminum industry are under way and more considered.

Power needs of the aluminum industry are given top ranking. The attitude of those responsible is that nothing shall be allowed to interfere with the expanded production of aluminum. In carrying out that maxim many difficulties have to be overcome.

While it is not expected that the shortage will hit hard until next winter, plans to meet it must be made forthwith.

It is now expected that sometime about October the Power Controller will issue new regulations governing use of electricity for domestic and commercial consumption.

These measures are expected to apply to hot water heating and cooking by electricity, radio stations, shop-window lighting, outdoor electric signs, radio station operations, etc.

Expectations are that under such regulations Ontario Hydro can "pick up" 100,000 h.p. of electrical energy which, while not solving its power problem, would go far toward easing it. Together, with the approximate 150,000 h.p. of new power Ontario will get this year, it will likely permit handling this year's peak.

As far as can be learned regulations restricting use of electricity for commercial and domestic consumption would apply only to Ontario and Quebec. However, it is possible they might apply in certain specified areas elsewhere where the power supply is tight.

Whatever is done, one fact stands out clearly. The power policy will be governed by the needs of the aluminum industry.

Power Situation Highlights

Briefly, these are highlights of the power situation:

The greatly increased smelter capacity at Arvida will be complete by the year end. The Shipshaw power development is expected to come in later.

Power will have to be taken from non-war industries in the area and made available for aluminum operations. This will mean a contraction in newsprint output, but as one authority puts it "aluminum is more important just now than the U. S. exchange secured from the sale of newsprint paper."

Additional pot-rooms are being put in by the Aluminum Co. of Canada in the St. Maurice Valley. Power may have to be taken from industry in that section to meet the demands of the aluminum plant.

Serious consideration is being given to establishment of an aluminum plant in the Ottawa-Hull area. If this develops, and it is more than likely, the present industrial power load in that area may have to be re-allocated.

There is considerable pressure from United States authorities for more power for Aluminum Co. plant at Massena. Indications are Canada will have no power to spare.

Ontario still can draw upon Quebec for about 100,000 h.p. of electrical energy under existing arrangements. But this power will be absorbed almost as quickly as received.

Must Decide Soon

Ontario will shortly have to decide where it will construct a new major power plant. It must look to Canadian sources and the new plant likely will be constructed on the Ottawa River.

The power problem centres in Ontario and Quebec. The supply situation in the Maritimes, the Prairies and British Columbia is tight, but the need for surplus capacity in those areas is not as great as in central Canada.

Extraordinary steps have been taken by the power operators in Quebec and Ontario to meet conditions brought on by the expansion of war industries.

One of the most remarkable jobs undertaken in Quebec, where 75% or more of the hydro energy developed comes from storage reservoirs, has been the linking up of the power systems in the Saguenay region, the St. Maurice Valley and around Montreal. This not only created a power pool of some 3 million h.p. but also made possible the maximum efficiency in the utilization of stored water.

Ontario already had a complete "grid" system linking the entire southern portion of the province.

The situation will be relieved in part when the new Shipshaw development comes into service. Originally this plant was to contain six units; now it will have 12 units, but the power industry will still have to overcome urgent and imperative war needs elsewhere.

Pulp Paper Hit

In so far as Quebec is concerned, it is now taken for granted the pulp and paper industry will be asked to give up part of its power load to meet the demands of the aluminum industry.

The Quebec Government is understood to have agreed to this step, even though it involves important social and economic consequences to the province.

Ottawa Would Welcome Advertising Conference

By STAFF WRITER

OTTAWA.—It will be some days yet before conflicting views, within official circles regarding the government's policy on "contributed" and normal advertising will be resolved.

As reported last week in The Financial Post, tax officials here have been giving consideration to a change in policy—a change which would put a new interpretation on what might be considered normal advertising appropriations for income tax purposes, and which would restrict advertising "contributed" to campaigns such as the recent Victory Loan drive.

Certain responsible officials are urging a much stricter limit than has heretofore been enforced. Other departments are pressing for a liberal interpretation as helpful, and indeed necessary, for encouragement of the war effort.

At midweek it seemed probable that a compromise would be found and that in respect of contributed advertising the government would devise a new formula which would permit certain types of patriotic advertising, including Victory Loan, but would rule out other forms which have hitherto been thought to be eligible.

As yet there is no decision as to normal advertising, whether it will be measured strictly on the basis of 1936-39 or not. It is clear, however, that officials of the income tax department want to curb any expansion in appropriations that has no sound business justification.

How to steer a course that will achieve this goal and yet not penalize or handicap legitimate expenditure has not yet been determined.

At present there is no control over advertising except that which is exercised informally by officials of the income tax department. Nor is there any clear-cut statement of rules and regulations governing such expenditures. The view was

(Continued on page 2, col. 4)

at EATON'S

New Shipments of our Famous

Birkdale

SUITS

Have Arrived for Spring

Richly textured Old Country fabrics, for the most part . . . styled and cut according to EATON'S strict specifications. The materials include English yarn-dyed worsteds (wool with cotton stripe), Saxony finished worsteds and Scotch "Crombie" wool tweeds. Colours and patterns that strike a fresh, new note for Spring. Sizes 36 to 46. EATON price, 3-piece suit

33.00

Extra trousers, 6.50 pr.

Budget Plan Terms May Be Arranged If Desired

MAIN STORE SECOND FLOOR

T. EATON CO LIMITED TORONTO CANADA

The War and Business . . .

Steeled by Reverses

Greatest single factor contributing to the magnificent success of the recent Victory Loan was the fall of Singapore, an observer in close touch with the campaign tells The Financial Post. The loss of this key Empire post apparently put the Canadian people in a fighting mood, just as the collapse of Hong Kong sent thousands of young men to the recruiting stations last December. Serious Far East reverses culminating in the capture of Singapore made Canadians realize that this was to be no easy war.

The Post informant was careful to point out, however, that there were other important contributing factors to the success of the loan. The campaign was thoroughly organized and the publicity, contributed voluntarily by firms right across the country, was given generous credit.

* * *

Ease Retail Squeeze?

Although Price Ceiling officials have given no hint of it, there is a growing feeling in business circles that Canada's "retail freeze" may in time give way to a somewhat modified plan.

Under the present plan, prices are controlled to the consumer. But retail cost prices are based on manufacturing costs that may have been incurred under totally different conditions at a much earlier date. Manufacturers in some instances pass along their increased costs; in other instances, government subsidy will help to take up the squeeze; in still other cases increased cost is apportioned between raw material suppliers, manufacturers, wholesalers and retailers. In all cases efforts are being made to trim costs to enable the squeeze to be taken up by new economies.

Not all of these efforts are successful and the position of many retail merchants is anything but satisfactory.

The alternative plan that has won some favor is to permit the increased manufacturing and material costs to be rolled along to the consumer—not continuously but just once. This would establish a new retail price level slightly above the present. Mark-ups would then be frozen in all establishments. The control of the ultimate retail price would be obtained by continuing to control wages and by controlling raw materials costs, the government granting subsidies only on imported raw materials that rise in price.

* * *

Act First

Donald Nelson admits that he cannot possibly place orders fast enough to get the whole of American industry into war production as quickly as necessary. He has called on the country's 184,000 industries to show as much resourcefulness as possible in converting their operations to war work even before they get specific orders from the War Purchasing Board.

Outside of going after subcontracts from firms with war orders, it is difficult to see how an individual manufacturer can go into war production without direction from the top. But Mr. Nelson says it can and must be done because one tank now is worth ten a year from now.

Britain's Co-ordinator

Oliver Lyttelton, Britain's new "co-ordinator" of war supply, is a rising British politician of the younger school. He is under 50.

Main attention in respect to his appointment was centred on the fact that he is a wearer of the "old school tie"; he went to Eton and Cambridge. But in Civilian life he is a businessman; managing director of the British Metal Corporation, which has marketed a great deal of Canadian metals production.

Famous in her own right is his mother, Dame Edith Lyttelton, writer on international affairs and psychical research.

HOLD HIGH THE TORCH OF FREEDOM

Have You The Cash To Pay Your Income Tax Due March 31st?

This very month your income tax is due. Are you ready with the cash necessary for the required payment?

No doubt you have saved to perform your tax-paying duty but still may need more cash.

Whether the amount you are short be large or small, see today the manager of our nearest branch who will be glad to discuss your requirements.

In our Personal Loan Service, loans are made on the basis of repayment in twelve monthly instalments at a cost of $3.65 per $100. Other arrangements may be made according to individual requirements.

BANK OF MONTREAL

ESTABLISHED 1817

"A BANK WHERE SMALL ACCOUNTS ARE WELCOME"

Mammoth Tax Paying Spree

(Continued from page 1)

contributed $134 millions to the public purse.

In the next fiscal period, there came the national defense tax It added about 1 million new taxpayers and netted $27.7 millions between July, 1940 (when it was first introduced) and the end of the fiscal year (March 31, 1941). As well there was $24 millions from the excess profits tax.

In all, in 1940-41, there were 1,316,266 taxpayers who contributed $272 millions. This was for the fiscal year ended March 31, 1941. In the same year the department handled 2.8 million documents compared with about 2 million in each of the two previous years.

In charge of this vast collection agency is the minister, Hon. Colin W. G. Gibson; Hugh Scully, commissioner of customs; David Sim, commissioner of excise; and C. Fraser Elliott, K.C., commissioner of income tax.

U. S. Inflation Trend May Equalize Dollars

(Continued from page 1)

U. S. It is argued that the annual cost of maintaining "parity" as compared say, with the present premium of 10% for U. S. funds, would be relatively small compared with the larger national issues which now loom as a result of the price ceiling.

Nor is the fact that Canada continues to "run behind" in the matter of balancing our dollar account considered to be of primary importance. The Hyde Park agreement, for example, will continue to be very important as will the rigid maintenance of Foreign Exchange Control in order that every last possible dollar be conserved, but these matters have only relative significance if, for example, the purchasing power of U. S. dollars were to shrink say by 10, 20 or 30% while the price ceiling maintained the purchasing power of the Canadian dollar.

Not Yet Out of Control

It is to this larger picture which is being thrust more and more into the foreground as inflationary factors gain momentum in the United States. At the moment there is no disposition to feel that the U. S. has finally lost control of inflationary forces. If, however, the very substantial wage increases which are now being talked throughout the United States (a dollar-a-day wage increase all around is being talked of in C. I. O. circles) were to materialize, it is believed that nothing the United States might subsequently do by way of price control would be adequate to overtake the appalling inflationary spiral which would have been created. In such an eventuality, a dropping of the premium on U. S. dollars and a subsequent discount of perhaps 10 or 20% or more would be deemed an inevitable eventual consequence.

There is no disposition here to take very seriously the talk concerning a "confiscation" of the 10% premium which accrues to Canadian exporters under existing dollar relationships. Such a step, it is argued, would be little more or less than an unscientific form of taxation on the gross earnings of certain groups of companies. Marginal producers such as high-cost gold mines would immediately suffer and there would be unjustifiable discrimination as between various types of business—discrimination which would be out of line with sound and equitable principles of taxation.

One important result of a change in Canada-U. S. dollar relationships (toward parity or a discount) would be to remove pressure on the price ceiling, which now exists in the case of agricultural products — for instance, cattle. The higher prices now obtainable for cattle under prevailing exchange rates for U. S. funds would tend to ease and make operation within the present price ceiling structure more tenable. The adverse effect in the direction of encouragement of purchases from the U. S. (for non-war purposes) would, it is felt, be kept to a minimum by reason of the very rigid controls—on purchases and travel across the border —now exercised through Exchange Conservation.

Would Welcome Ad. Conference

(Continued from page 1)

expressed to The Financial Post by high authority that future policy might be placed on a much firmer footing if the present discussions were to be rounded out by a full-dress meeting between various publishing and advertising groups and government officials.

In brief, as a result of the publication in The Financial Post last week of the new view taken in official circles, informal protests have been lodged with the government that have brought to light a number of considerations that the government is willing to weigh.

The position now is that a round-table conference of tax officials, publishers and advertising men would be welcomed in an endeavor to arrive at a policy that would be fair to business, fair to government revenues, and that could be made to "stick." Meanwhile internal deliberations are being held with view to aligning conflicting points of view and attempting to reach a decision on the government's official attitude.

There has never been the slightest possibility that the government would go back on its undertaking to grant a 10% allowance in respect of advertising contributed to the last Victory Loan campaign and it now seems likely that no curb will be placed on a similar allowance for future loan campaigns.

What is at issue is the "in-between" forms of patriotic advertising and the yardstick which should be applied to normal advertising appropriations.

U.S. Columnists Slap at Canada

(Continued from page 1)

fly to Newfoundland and Labrador, they point out.

The implications of the Drew and Pearson story are pointed out by Canadian aviation circles to be grossly unfair and inaccurate.

There never was or has been any suggestion of obstructing U.S. military movements through Canada, by air or by land, they maintain. Even in commercial air operations, the attitude of the Department of Transport has been generous to the extent that some Canadian observers have felt that our neighbor has had much the best of the agreement on reciprocal flying rights for crossing the Canadian U.S. border.

The statement that Mr. Howe "seems adamant against a U. S. commercial airline getting a foothold over any part of Canadian territory . . ." is hardly borne out by the fact that Pan-American Airways has been operating over Canadian territory from Seattle to Fairbanks, Alaska, for more than a year, officials point out. P.A.A. today is running three flights a week each way, using the Canadian airports at Prince George and Whitehorse.

No reciprocal rights have been granted for this concession. Yukon Southern is not allowed to extend its route from Whitehorse to Fairbanks.

American airlines have most of the border-crossing services. In fact, Pan American and Northwest operate Seattle-Vancouver. Northwest flies exclusively across the border to Winnipeg. Canadian Colonial operates from New York to Montreal, and Northwest Airlines recently extended over Canadian territory to Newfoundland and Labrador.

The only reciprocal right obtained by the Canadian services is the Toronto-New York run of Trans-Canada, and this is paralleled by the American Airlines Toronto-Buffalo-New York service.

Thus, as long as the question of operating from Winnipeg across the prairies and over the Yukon route to Alaska remained purely a commercial airline proposal, it was subject to international reciprocal agreements, officials declare.

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W. G. Cowie *Development Engineer*
F. W. Collins *Industrial Commissioner*
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F. P. Gutelius *Industrial Engineer*
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Company Reports

Can. Gen. Investments

Canadian General Investments Ltd., management-type investment trust, reports net profits for 1941 slightly above those for 1940. Net is equivalent to 68 cents a share in each year.

As a result of portfolio changes, net profits of $142,423 were realized on securities sold. This, together with $10,042 received on investments previously written off, was added to capital surplus distributable account which now stands at $3.5 millions.

Market value of securities held was $7.3 millions at Dec. 31 last, an excess over book value of $238,344. A year ago market value of securities was $7.5 millions. Net assets per share were equivalent to $12.22 at Dec. 31, 1941, against $12.63 a share at the end of 1940, $13.72 for 1939 and $13.05 for 1938.

Income and Surplus Account Years Ended Dec. 31

	1941 $	1940 $
Invest. income	462,266	474,134
Add: Other income	221	854
Total income	462,487	474,988
Less: Mgmt. fee	25,000	25,000
Directors' fees	2,630	2,650
Miscellaneous	3,312	2,972
Interest on loans	......	1,851
Income taxes	21,600	36,000
Net profit	409,944	406,515
Less: Dividends	300,290	300,291
Surplus for year	109,654	106,224
Add: Prev. surplus	531,456	429,827
Less: Addit. inc. tax	10,120	4,595
Surplus forward	630,990	531,456
Earned per share:	$0.68	$0.68
Paid	0.50	0.50
Shares o/s, n.p.v.	600,589	600,589
Equity per share	$12.22	$12.63

Robt. Mitchell

Sharp expansion in operating profits is reported by Robt. Mitchell Co. In 1941 total income of $2.3 millions compared with under $500,000 the year before. Provision for taxes increased eight times over the $209,893 reported for 1940, leaving a net profit of $384,610, equivalent to $5.31 a share, as against $2.04 in 1940.

Balance sheet shows a moderate increase in working capital, now standing at $631,251. Featured in the statement was an increase in accounts receivable, inventories, plant, etc., enumerated below.

Income and Surplus Account Years Ended Dec. 31

	1941 $	1940 $
Oper. profit	2,281,601	492,971
Add: Interest, etc.	*25,224	136
Total income	2,256,377	493,107
Less: Exec. salaries	45,765	34,708
Dir. fees	5,150	3,800
Legal expenses	135	2,139
Depreciation	250,000	94,500
Tax provision	1,570,716	209,893
Net profit	384,610	148,067
Less: Dividend	108,600	36,200
Surplus for year	276,010	111,867
Less: Add. tax., pr. yr.	17,295	nil
Add: Prev. surplus	201,763	89,896
Surplus forward	460,478	201,763
*Deductions.		
Earned per Share	$5.31	$2.04
Paid	1.50	0.50

Working Capital

	1941 $	1940 $
Current assets	4,193,967	1,756,940
Current liabilities	3,562,716	1,193,235
Working capital	631,251	563,705

Balance Sheet Changes

	1941 $	1940 $
Cash	242,964	44,215
Dom. bonds	70,200	......
Accts. receivable	2,172,017	829,862
Inventories	1,418,343	621,145
Property	1,589,261	1,138,674
Bank loans	803,000	566,000
Accts. payable	1,035,096	343,883

Dominion Tar

Dominion Tar and Chemical Co. reports operating profit in 1941 of $2.4 millions, against $2 millions the year before. After all charges, net profit available on the common stock totalled $351,217 or 94 cents a share. This contrasts with $294,996 or 79 cents a share the year before.

Balance sheet shows working capital of $2.4 millions. Increase in accounts receivable was offset in part by decline in inventories. Funded debt was reduced by $200,000, and a further small block of preference stock of Alberta Wood Preserving and Industrial Minerals was purchased.

Income and Surplus Account Years Ended Dec. 31

	1941 $	1940 $
Operating profit	2,416,049	2,010,053
Less: Exec. salaries	101,556	98,119
Legal fees	16,126	4,391
Directors' fees	5,368	4,769
Debent. interest	178,325	185,325
Depreciation	475,000	416,011
Tax provision	996,354	714,198
Net profit	643,320	587,240
Less: Underlying divds.	15,178	15,319
Preferred divds.	276,925	276,925
Surplus	351,217	294,996
Add: Prev. surplus	1,159,587	1,114,899
Less: W/o goodwill	750,000	750,000
Loss on secs.	5,037	......
Add: Prof. on appraisal	397,403	476,692
Profit on secs.	......	23,011
Surplus forward	1,153,171	1,159,588
Earned per Share	$0.94	$0.79

Working Capital

	1941	1940
Current assets	4,706,015	4,010,818
Current liabilities	2,303,892	1,611,671
Working capital	2,402,123	2,309,147

Balance Sheet Changes

	1941 $	1940 $
Accts. receivable	2,380,639	1,494,036
Inventories	1,814,042	2,156,735
Debentures	600,000	800,000

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Volume of orders received and sales billed by Canadian General Electric Co. in 1941 "was substantially higher than the previous year and was the largest in the history of the company," states D. C. Durland, chairman and president, in presenting the annual report. Net profits were equivalent to $12.57 a shore on the common compared with $11.71 in 1940.

A major portion of the company's manufacturing capacity is devoted to production of a wide range of special war equipment as well as to regular electrical and mechanical products for the generation, distribution and utilization of electric power in war industries.

Last year the company spent $2.3 millions on additions and replacements, largely made necessary by expanded manufacturing operations. As depreciation provided for the year was $1.1 million, there was a net increase in book value of plants and other properties of $1.1 million.

Payment of $295,000 into the Pension Trust last year brought to $1.5 million the amount paid into the trust. An extra payment of 2% was made in 1941 to employees holding shares under the savings and investment plan. Last year the company started payment of a cost-of-living bonus to all employees receiving $3,000 a share or less.

Bond Redemptions

Acadia Sugar	†4½%	1955	Apr.	1	102
Saguenay Pr. B.	‡4½%	1966	Apr.	1	104
Ames H. Tire	*7%	1943	May	1	105
Stand. Lime	•6%	1944	May	1	102

†$24,000. ‡$867,000. *$23,700. •$20,500.

Holt, Renfrew & Co. reports net profit in year ended Jan. 31, 1942, of $112,625, or $4.26 a share on common: this compares with $100,528, or $3.19 a share the year before. Working capital position is moderately stronger. Cash position is better and inventories substantially higher. Mortgage payable is reduced and bank loans of $360,000 wiped out.

Bond Tenders

8 p.m., Mar. 30, Joliette, P.Q.—$58,900 as follows: $35,400, dated May 1, 1942, redeemable in 20 years, and $23,500 redeemable in 15 years. Bids asked for 4 and 4½%. Camille Bonin, sec.-treas.

Mar. 24, Town of Uxbridge, Ont.—$4,000, 3½%, 20 install. waterworks debentures, dated Mar. 10. W. E. Remion, treas.

Significant Investors' Index Numbers

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's
No. of Securities	8	7	3	4	10	12	7	15	15	8	19	95
(Base 1935-39=100)												
1939-41:*												
High	345.7	564.5	322.3	312.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.5
Low	66.5	49.8	63.4	46.5	76.0	76.9	67.0	71.2	60.3	84.6	65.2	63.9
1942: Monthly Figures:												
Jan.	74.3	71.9	74.5	45.9	112.8	88.7	99.2	75.1	64.4	91.1	70.4	66.8
1942: Weekly Figures:												
Feb. 5	75.0	72.8	69.3	44.8	110.0	88.0	97.3	74.5	64.4	91.5	70.3	66.6
Feb. 12	74.6	69.4	68.5	44.4	109.4	87.5	96.6	73.4	62.6	91.2	68.1	65.3
Feb. 19	72.5	67.8	70.6	42.8	108.2	84.2	94.9	73.5	60.2	91.1	65.5	63.4
Feb. 26	71.3	67.2	70.3	42.2	107.2	82.3	96.4	74.1	61.1	90.6	67.0	63.5
Mar. 5	70.6	66.7	72.9	41.7	106.4	81.5	95.1	74.7	61.5	90.3	67.6	63.5
Mar. 12	69.6	66.0	71.9	40.9	104.2	76.4	91.2	73.8	61.8	•89.4	67.1	61.7

*High and low for years from 1929 to 1941 inclusive are based on weekly figures issued by Dominion Bureau of Statistics. For 1929 to 1938 inclusive the base is 1926=100; for 1939 and subsequent years the base is 1935-39=100.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Mar. 17	81.89	67.92	63.90	17.05
Mar. 16	81.91	68.42	63.71	17.03
Mar. 14	82.14	68.73	63.53	17.02
Mar. 13	82.37	69.08	63.46	17.01
Mar. 12	82.65	69.26	63.30	17.00
Mar. 11	83.18	69.88	63.76	17.03
Month ago	86.60	72.50	66.93	17.55
Year ago	94.11	101.41	64.01	19.08
High 1942	93.50	83.71	71.01	17.00
Low 1942	81.89	67.92	63.30	17.00

Montreal Stock Exchange Averages

	10 Util	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Mar. 17	41.0	56.5	51.3	62.23	41.18
Mar. 16	40.9	56.4	51.2	63.48	41.46
Mar. 14	40.9	56.4	51.2	64.63	41.35
Mar. 13	40.9	56.4	51.2	64.57	41.35
Mar. 12	40.7	56.4	51.2	64.57	42.37
Mar 11	40.7	56.7	51.4	65.04	42.44
Month ago	41.0	57.5	52.0	69.27	45.18
Year ago	48.5	58.2	55.0	75.84	76.20
High 1942	42.6	60.5	54.7	77.18	54.82
Low 1942	40.3	56.4	51.2	64.57	41.18

Investor's Index

Mar. 21, 1942

Abitibi	5, 11	Dosco	5
B. A. Oil	11	English Electric	11
Bathurst P. & P.	10	Gair Co.	10
B. C. Power	11	Grt. Lakes Pap.	10
B. C. Pulp & Pr.	10	Hinde & Dauch	10
Brandram Paint	5	Hiram Walker	11
Brompton Pulp	10	Inter. Paper	10
Canada & Dom.	8	Langley's	5
Candn. Celanese	13	Mar. Tel. & T.	11
Can. Gen. Elec.	2, 5	Massey-Harris	4, 5
Can. Gen. Inves.	2	Maritime Trust	4
Candn. Investors	13	Modern Contain.	13
Candn. Oil Cos.	13	Moir's	9
C. P. R.	4	Mtl. L. H. & P.	10
Can. Steamship	5	Nat. Sewer Pipe	11
Candn. Pr. & P.	11	Niagara F. Loan	5
Can. Wes'tghse.	5, 7	Quebec Tele.	9
Carnation Co.	13	Reliance Grain	4
Collingw'd Ter.	5	Robt. Mitchell	2
Corr. Pap. Box	5	Steel of Canada	13
Dominion Coal	13	Toronto Mtge.	11
Dominion Tar	2	Wawanesa Mut.	8
Donnacona Pap.	11	Wentworth Rad.	4

MINES AND OILS

Abasand	14	Magnet Consol.	14
Bidgood-Kirk.	14	Nat'l. Malartic	14
Bralorne	14	Reno	14
Central Patricia	14	San Antonio	14
Inter. Nickel	14	Silbak Premier	14
Island Mountain	14	Toburn	14
Leitch	14		

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Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Dominion—							
Canada Treasury Bills	Mar.....	....	...	Jun 12 '42	$45,000,000	99.863	.552%
Municipal							
Cap de la Madeleine, P.Q.	Feb.....	La Caisse Populaire, ...	4½%	1943-51	75,000	98.35	4.84%

This Week The Financial Post Asks—

What Ought to be Done With Our Japanese, (a) Native-Born, (b) Others?

E. H. Adams

Vice-president, B. C. Electric Railway, Vancouver, B.C.

I am satisfied that the security commission, headed by Austin C. Taylor, and the federal and provincial authorities will deal with the evacuation of all Japanese residents as expeditiously and as thoroughly as circumstances will permit.

Evacuation involves the establishment of suitable housing under different climatic conditions.

• • •

Rev. J. H. Arnup

Foreign Missions Dept., United Church of Canada.

I am in favor of the most generous treatment which is compatible with national safety. This, first, because humane treatment is in accord with Christian principles, and also because of the past behavior of the Japanese in Canada, and the fact that many Canadians and British subjects are now in Japanese territory.

• • •

L. B. Calnan

Editor, The Gazette, Picton, Ont.

The loyalty of the Japanese in Canada will not be put to the test until, and if, the enemy comes. Of the possibility of raids on the coast Lieut.-General McNaughton is quoted in the press as saying at Washington, "They undoubtedly will happen."

Immediate steps should be taken to remove all Japanese from the coast as a precautionary measure. Canadian-born Japs should, if possible, be used for supervised labor inland, as internment is a costly matter. All others should be interned.

Various provinces object to taking Japanese but the Federal government should decide where they could best be used, and act without delay.

Action taken now might be a prelude to developments after the war concerning foreigners in Canada. But above all, get them away from the coast now and if possible let them earn their keep.

• • •

P. C. Black, M.P.

Member for Cumberland, N.S., in the House of Commons.

It is my firm opinion that citizens on both the eastern and western Canadian coasts should have had greater safeguards and assurances that their people, industries, transportation and shipping are adequately protected against enemy menaces.

Howard Green and others, by public statements, convinced me that all Japanese should have been removed from danger zones immediately after Pearl Harbor.

• • •

Prof. G. F. Drummond

Department of Economics, University of British Columbia.

My own contact with Japanese in British Columbia has been with the Japanese students at the university, most of whom were born in British Columbia. These I have always found courteous, industrious and law-abiding.

I feel that we should treat the Japanese as fairly as we do German and Italian nationals. However, the concentration of Japanese settlements on the Pacific coast presents a very special problem quite different from that affecting Germans and Italians. This justifies their removal inland as a precautionary measure.

People in British Columbia are inclined to regard the Japanese as a racial group, no matter whether some of them are naturalized or Canadian born. Where minors are concerned the disruption of family unity would be unjustified. Where there is no suspicion of disloyalty naturalized or Canadian-born Japanese should be accorded as fair treatment as naturalized Germans or Italians.

On Japanese postwar policy, we out to co-operate in a joint policy with the United States.

• • •

Gordon DesBrisay

President, B. C. Fruit Growers Association, Penticton, B.C.

First consideration should be the removal of all Japanese from the Pacific coast. Their presence there is a potential danger to all Canada.

Japanese immigration was agreed to by the Dominion, despite protests from this province. All provinces should take a fair quota, and if they refuse, I consider it bodes ill for any united, all-out war effort by Canada.

All Japanese, Canadian-born or not, are still considered Japanese subjects and should be treated alike. Physically fit Japanese should be placed in camps under supervision in close proximity to work on roads, farms, etc. The Okanagan Valley is protesting to all Canada against the dumping of approximately 25,000 Japanese in the valley.

• • •

N. J. M. Lockhart, M.P.

Member for Lincoln, Ont., in the House of Commons.

Only fully informed persons are qualified to express an opinion on this serious problem.

This matter should be left to the judgment of the commissioners appointed without interference. They should be guided by the considered opinions of a carefully selected citizens advisory committee as now proposed.

Any poll of so-called representative Canadians who are not fully informed can serve no good purpose in dealing with this vexed question.

• • •

L. H. Logan

Editor, Standard-Observer, Pembroke, Ont.

At present the Japanese might be put to work on the Alaskan highway or some other essential public work. They should not be a public charge.

After the war all the Japanese, including the native-born, should be sent back to Japan. The expulsion of the Acadians from Nova Scotia by the British is a safe and wise precedent to follow. The Japanese must be taught a lesson which will be remembered in their history for 1,000 years. Our spineless attitude toward the Huns, following the last war, must not be repeated with the Japanese.

• • •

Prof. A. R. M. Lower

United College, Winnipeg, and author of "Canada and the Far East."

As our national safety is the paramount consideration local interest must everywhere give way. If the Japanese are a danger on the Pacific coast, they should be removed, and objections from any community or province unwilling to receive them must be ignored.

There is no means of discovering whether they will or will not be a danger until an attack actually occurs. It would therefore seem that the sensible thing to do is to remove them all, as we know too little about them to be able to make safe distinctions between those born in Canada and those born elsewhere.

Moreover, action should be rapid, for, within a few weeks the Japanese will be relatively free to act against North America through Alaska and Hawaii and it is probable that they will attempt to do so.

• • •

R. J. McDougall

Reeve, Penticton, B.C.

Citizenship rights of many Japanese in British Columbia complicate the whole problem of their removal from the coast area. But these rights should be subordinated in this time of national danger.

Every province of Canada ought to be prepared to accept a quota of British Columbia's 25,000 Japanese. These people were landed on the west coast by Dominion, not provincial, arrangement.

All Japanese nationals who are physically fit should be placed in construction camps under proper supervision. Camps could be provided as well for volunteer Canadian nationals of Japanese extraction. I would also offer to Canadian Japanese the opportunity of military enlistment for service other than in the Pacific war zone. All Japanese unfit for labor and without means should be provided with subsistence by the Dominion. But the chief necessity is to move the population east from the Pacific coast without at the same time dumping all these people into interior British Columbia communities.

• • •

H. B. McKinnon, M.P.

Member for Kenora, Ont., in the House of Commons.

All Japanese should be moved from the Pacific coast at the earliest moment and distributed through the various provinces. Families, of course, should be kept together.

Opportunities should be given the Japanese to provide livelihood for themselves and their families as these people cannot be assimilated and retain dual citizenship.

After the war Japs should be repatriated. No doubt there are a number of loyal Japanese, but who is able to distinguish them? No chances can or should be taken.

• • •

R. P. MacLean

Publisher, Kelowna Courier, Kelowna, B.C., vice-president Canadi[illegible] Weekly Newspapers Associa[illegible]

You cannot separate the aliens and the Canadian-born. You must consider the problem as one of persons of Japanese origin.

The only manner the problem can be permanently solved is by scattering them across the Dominion and prohibiting further immigration. Keep them separated and permit them to die out.

There are approximately 25,000 Japanese in Canada or about one to every 480 whites. If each province took its per capital quota, there would be no large number in any one province.

Ontario is said to need 40,000 farm laborers. If this is so, that province could absorb the whole Japanese colony and never notice it. However, on the per capita basis, Ontario's quota would be something over 6,000. Surely Ontario could not consider that number as creating an Oriental problem for it.

Restrictions on purchasing or leasing land or crops should, of course, be permanent and not simply a war measure.

• • •

D. A. McNiven, M.P.

Member for Regina in the House of Commons.

I would remove all Japanese, regardless of their place of birth, from all Pacific coastal contacts and from inland industrial strategic and vantage points. I would also exercise strictest censorship over all their communications.

Such removal may necessitate a concentration camp which should be temporary until the time that these people can be distributed to other parts of Canada which will afford an opportunity for essential productive effort and scope for their talent and industry.

I would exchange Japanese nationals for Canadian civilians and Canadian prisoners of war held on any basis in Japan. Residents and governments of prairie provinces and central Canada should unhesitatingly offer their co-operation in some such plan, having as its objective no enforced idleness and no reprisals, no undue delay and no hesitation with the determination that the incidents of Pearl Harbor shall not be repeated here.

• • •

L. A. Mutch, M.P.

Member for Winnipeg South in the House of Commons.

Canadian-born Japanese should be moved at once from defense areas. They should be deprived of means of communication and the possession of offensive weapons. Families should not be scattered into small groups, but males should be employed in small groups on public works at current rates of pay.

Japanese, other than Canadian-born, present no problem. They should be interned at once—in areas removed from defense points. Women and children should be segregated and subject to strict supervision.

• • •

Prof. Frank Scott

Dept. of Law, McGill University, Montreal.

While reasonable precautions must be taken against fifth columnists, we must not let war hysteria at this time lead us to ill-advised and undemocratic treatment of Canadian-born Japanese. Most of these are as loyal as any Canadians. Wholesale deportations will spread an embittered people through the country and will assist economic groups who seek merely to eliminate Japanese competition.

R. C. M. P. authorities working with committees of loyal Japanese citizens can be relied on to deal with any dangerous elements. We should treat our Japanese better than the Japanese treat their victims.

• • •

Hon. Grote Stirling

Member for Yale, B.C., in the House of Commons, and a former minister of defense in the Bennett government.

All persons of Japanese origin should be moved from the protected area, but they must not be allowed to filter into other parts of British Columbia where their presence is considered a menace by the residents.

It is not possible for us to judge their expressions of loyalty. As they are not an assimilable race we cannot look on their progeny to help us to build up the sort of Canada to which we look forward.

The suggestion, sometimes made, that they constitute a British Columbia problem is false because their exclusion from the province has been sought for a generation.

• • •

A. N. Wolverton

President, Vancouver Stock Exchange.

To express an opinion with a completely satisfactory solution of the Japanese problem is impossible. Theoretically Canadian-born Japanese are entitled to some constitutional rights, but we on the coast are much closer to danger than other parts of Canada. Three months ago my opinion would have been that Japanese nationals should be moved far inland, but Canadian-born and naturalized Japanese should remain.

I have employed a Japanese gardener for 13 years. He was born in Vancouver in 1906. His wife, who was formerly our maid, was also born here. Their parents were Japanese nationals. I am satisfied they are all loyal Canadians. Our gardener volunteered to enlist or go to Jasper, whatever the authorities required. Possibly I could have secured special permit for his remaining but I agree that it is impracticable to make exceptions.

The great majority of people here would be much happier if all the Japanese were sent inland, even though the fresh fish and berry crops, shingle mills and hundreds of city gardens suffer. When the war is over most of the Japanese will return to the coast.

The Financial Post asks that replies be confined to 100 words. Where that limit is seriously exceeded, the editors may present replies in shorter form.

An Oriental View

Yick Wong

President and editor-in-chief, Chinese Times, Toronto.

This is a very delicate and embarrassing subject for another Oriental to discuss.

The Federal authorities have the knowledge and have the responsibility; they and they alone must decide what is to be done.

However I would like to bring out one point. Neither the accident of birth nor the formalities of a court of naturalization have ever made a Japanese into a Canadian. A Japanese who has lived all his life in Canada holds as much Japanese nationalism in his or her heart as any Japanese who has never left the shores of Nippon.

At the 1937 conference of the Students' Christian Movement held at the University of Manitoba a large delegation of Canadian-born Japanese, with the support of the French-Canadian delegation, side-tracked the Japanese boycott resolution. I questioned these Japanese delegates as to their allegiance at heart. In all cases, I received the emphatic response that the Canadians would not ever really accept them as wholly Canadians; that the difference of race compels them to acknowledge allegiance to the land of their heritage

Last fall a Japanese graduate in Theology from the University of Toronto left Canada for Japan. He was asked at the time by a Chinese student as to his attitude if, upon arrival in Japan, he was ordered to go to China and fight the Chinese. He promptly replied "I must obey the commands of my Emperor." This Japanese student was born in Canada.

These two instances show that there are no Japanese Canadians, and therefore the Dominion government in dealing with the Japanese in Canada must regard them as Japanese only.

TRUST PROMOTION

J. A. Patterson has been promoted to the position of manager of the Savings Department of Chartered Trust and Executor Co.

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If you should leave your estate to your wife and she in turn should leave it to the children, there would be two transfer costs.

If, however, you leave the property in trust with the Crown Trust Company as executor and trustee and direct us to pay the income to your wife for her lifetime, to draw on capital for your wife's benefit if necessary and to make final distribution of the principal to your children at certain ages, there will be only one transfer cost. The money saved your estate will mean extra security for your children.

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Canadian asbestos protects naval firefighters, as shown in this "shot" from the current motion picture, "Ships with Wings".

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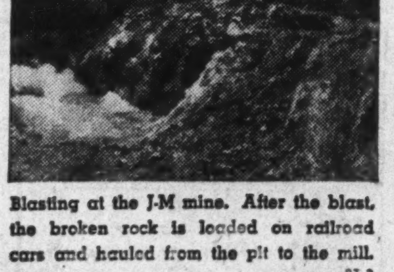
• Ack-Ack guns and asbestos . . . *both* are weapons of war. Today, the fireproof "Magic Mineral" of peacetime is used in many vital ways in tanks, ships and submarines—and in the form of flameproof clothing for army, navy, air force and A.R.P. firefighters. Johns-Manville, alone, makes available over 1,000 different products which directly and indirectly serve the war effort. That explains why, at Asbestos, Que., in the J-M factory and mine—the largest asbestos mine in the world—over 1,500 Canadian workers are busy night and day, week in and week out. War orders come first, of course, but if you have a plant building, expansion or modernization problem, it will pay you to get in touch with your nearest Johns-Manville office.

The Canadian Johns-Manville mill, at Asbestos, Que., comprises the largest group of asbestos mill buildings in Canada.



Blasting at the J-M mine. After the blast, the broken rock is loaded on railroad cars and hauled from the pit to the mill.

BT-3

CANADIAN JOHNS-MANVILLE CO. LIMITED

Mine and Factory at Asbestos, Que.

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AS I SEE IT...

BY The Honourable Colin Gibson

MINISTER OF NATIONAL REVENUE

Canada today is engaged in a life and death struggle with enemies as barbarous and brutal as ever threatened civilized people. The future not only of our Country and of our Empire, but of civilization as we know it, is at stake.

Canadians are being called upon for an ever increasing supply of men, money and materials to aid in this world struggle against the forces of despotism and aggression.

Men have come forward in large numbers to serve in our Armed Forces, and already over 400,000 have voluntarily enlisted in our Navy, Army and Air Force for active service anywhere. In addition, the women of Canada have responded to the call and thousands have enlisted in the Canadian Women's Army Corps and the Canadian Women's Auxiliary Air Force.

The production in this country of arms, equipment, aeroplanes, tanks and ships has been a magnificent industrial achievement, and not only are we now supplying munitions to our allies but vast quantities of foodstuffs are also being shipped to Britain.

These Armed Forces cannot be maintained, nor war supplies produced, without huge financial expenditures; and the people of Canada have nobly responded to the urgent demand for funds.

Since the outbreak of war, every effort has been made to pay our national expenditures from current revenue, as far as this is possible; and to secure the balance by means of voluntary loans in Canada.

New taxes have been imposed, while other taxes have been increased, with the result that the Department of National Revenue, through its three Divisions of Customs, Excise and Income Tax, has increased its collections from a pre-war level of under \$450,000,000.00 to the estimated revenue for the present year, to the end of March, 1942, of approximately \$1,300,000,000.00.

Income Tax rates have been considerably increased, while exemptions have been lowered; the National Defence Tax has added a million tax-payers to our rolls, and the Excess Profits Tax secures for war purposes additional profits arising out of war expenditures. The Dominion, for the first time, has adopted a Succession Duty Act, which imposes a capital tax on all estates of over \$5,000.00.

Each of our War Loans has met with a generous and patriotic response, which clearly indicates that the Canadian people recognize the gravity of the present situation, and are willing and anxious to assist the National War Effort.

In time of war, we cannot have both tanks and trinkets. Our factories and our materials are required for war production, rather than for the manufacture of unnecessary luxuries. Workers, both men and women, are in demand for work of national importance, in the factories, on the farms and in civilian occupations necessary for the maintenance of our civil population.

Let nobody imagine for one moment that the enemy is not interested in our country, or that their agents and fifth columnists have passed us by. Each one of us must be on constant guard against assisting in their work—by passing on false rumors, by criticizing our allies or by endangering the unity of our Country and our Empire.

The present situation requires the combined energy of all our people, working together with good-will to produce in this country the maximum effort of which we are capable.

The future of our country is not in our hands, it depends upon the outcome of this world struggle. We, in common with our Allies, must prepare ourselves for the utmost effort of which we are capable, for sacrifice, for suffering and for strain. We must steel our hearts to bear these things until victory is secured.

In a few weeks time, this country is holding a plebiscite, when our people will be FREE to answer "YES" or "NO" to a question, or not to vote at all.

AS I SEE IT,—HITLER would vote "NO", QUISLING would NOT VOTE, CANADIANS will vote "YES".

Colin Gibson

MINISTER OF NATIONAL REVENUE

★ This article is the sixth of a series, by Canadian legislators, on matters of vital World and National interest. This series will be published in newspapers across Canada, the next to appear on April 4th followed by others on alternate weeks thereafter.

This space is donated to Canada's United War Effort by the Hull Iron & Steel Foundries Limited

Light Taxes in the Wrong Place?

U. S. Economist Sees Dangers of Failure to Capture Real Income Gains

Three fallacies are seen in the proposed tax programme of the United States treasury department which is now under discussion. These fallacies as pointed out by Gustav Stolper, economist and author, can also be found in Canadian tax structures.

Stolper's three main criticisms recently appeared in a letter to the New York Times as follows:

1. The belief that nothing but the absolute amount of taxation counts in the fight against inflation.
2. Belief that capacity to pay is the criterion for the distribution of the burden.
3. Belief that the cruelty of war justifies, or calls for, highly questionable economics.

Briefly the budget picture of the United States for the year ending June 30, 1943, is summarized by him as follows:

(Billions of Dollars)	
Budgeted expenditures	$50
Estimated revenues	*29
Deficit	30
*Includes additional revenues to be raised:	
From taxes	7
From incr. social security paymts.	2

Important point is not the question of raising a few billions more or less, maintains Mr. Stolper, where the deficit may run as much as $30 billions in one year. It is "rather insignificant whether a few billions more or less are covered by taxes, by borrowing from banks or by borrowing from private sources," considering the magnitude of the inevitable deficit.

What Is Important

The really important questions are:

1. How to avoid an uncontrollable inflation.
2. How best is industry able to cope with the staggering post-war problems it will be called on to solve.

Starting with statements made recently by Price Administrator Leon Henderson, Mr. Stolper gives some conception of the magnitude of the gap to be expected as a result of rising incomes and decreasing volume of production of goods. Adjusting Mr. Henderson's figures to make them roughly applicable to the year ending June 30, 1943, and thus correspond with the budget figures, gets the following figures:

(Billions of Dollars)	
National income	$115
War expenditures	55
Consumer goods available	60
	115
Taxes	30
Income avail. for consump. & savings	85
	115

"In other words," he concludes, "in the next fiscal year the gap between potential demand and actual supply of civilian goods will be closer to $25 billions than to the $15 billions estimated by Leon Henderson."

To deal with this problem, the U. S. Treasury proposes to raise a net amount of $7.6 billions in higher taxes of one type or another.

Easy on Majority

In its tax increases the U. S. Treasury does not propose to reach into the lower brackets. "Thus, the American income tax for the small and lower middle income still appears a very mild affair as compared with the British. Even with the proposed rates it will be just one third for a married man with two children in the income group of $5,000."

"Percentagewise, the increase in the lower and medium brackets looks very big; actually, the taxation of the lower income groups remains negligible. The married taxpayer with two dependents at an income of $3,000 even after the recent proposals — will pay only $118, or less than 4%. It happens that the income groups up to this level represent 85% of the American people. . . . No official estimates are available as to the total additional tax to be raised from incomes up to $3,000. My own estimate is that it will hardly exceed $500 millions."

Wages and Salaries

Total national income paid out in the United States last year was $89.4 billions, an increase of $13.7 billions over 1940. Of the total income paid out, no less than $59.7 billions were salaries and wages, an increase of $10.6 billions. It is estimated that in the three years of war salaries and wages will have risen $20 billions.

"There is no doubt," states Mr. Stolper, "that the great bulk of this increase goes to the income groups below $3,000" and the principal problem of U. S. tax policy is not how much total taxes can be collected but "how to deal with the $20 billions additional income created by the war, the surging tide of money that threatens to burst all dams erected for the protection of our social life, dams which already show uncanny leakage as indicated by the sharp and continual rise of all commodity prices. Of these $20 billions, the Treasury proposes to draw $300 millions in income taxes! Nothing can demonstrate the dangerous inadequacy of the American war tax policy more drastically than this contraposition."

Of the proposed higher excise taxes on tobacco, alcohol and soft drinks, he says "it is a praiseworthy proposal which taps spending where it may justly be tapped" but "taxes on telegraph, telephone and lubricating oil or pipeline transportation are business taxes pure and simple" and cannot be classed as taxes on consumption at all.

Secretary of the Treasury Morgenthau, says Mr. Stolper, maintains "uncompromisingly his opposition against a sales tax" and "insists that even now the guiding consideration for the tax policy must be ability to pay."

What Kind of Protection

To protect the weakest and poorest members of society methods must be devised to control "the monster of inflation." These are actually the people who must carry the burden of a fiscal policy based on "sentiment in default of hard realism."

"We cannot and must not base our war tax policy on the ability to pay. What matters in war finance is—to use the Keynesian term—the 'propensity to consume;' and we know . . . that in America the propensity to consume is greatest just in those income groups which the recent Treasury proposals still want to exempt from additional taxes . . . If this tax bill goes through in its present form, this propensity to consume not only will not be discouraged but will be enormously enhanced. It will be irresistibly propelled by at least $18 billions out of the $20 billions by which this year's payrolls will be larger than in 1939."

"It is a transparent fallacy," maintains Mr. Stolper, "to believe that huge corporation taxes contribute anything to the fight against inflation," adding that no industrial corporation today can expand for anything except war purposes.

Thus, while the profit motive in wartime "may have no particular effect on the degree of expansion, it has a very definite effect on the efficiency of operation. . . . Only saints and heroes will stay in the continuous struggle against rising costs. Saints and heroes are not numerous enough to wage a victorious war on the battlefield and the economic front."

How Allies and Axis compare in the tax field is dramatically shown here in a tabulation by The New York Times Magazine. Note that only income taxes levied by central governments are included, indirect levies omitted. Also omitted from the Canadian quota is the National Defense Tax, currently 5% for married couples, and rumored headed for a hoist to 10%.

Trends IN INVESTMENT

Public utilities have generally been a favored investment medium for Canadians.

This week, The Financial Post devotes 16 pages to a complete review of public utilities of all classes —electric, gas, telephone, telegraph, foreign and domestic. It is a review that will prove of great value to the thousands of Canadians who hold the bonds and stocks of this large group.

Several points stand out for the investor. Position of holding companies appears to be hit worse than that of operating companies because taxes take too great a slice out of the operating companies' earnings. While the latter may be able to protect their own bonds and stocks, it may not be able to pass on enough to the holding company to keep it prosperous.

Another important point is the apparent likelihood that earnings for most of them have about reached a peak. It is hard to see where more revenues can come from unless new plants are built.

Public utility companies in Canada have probably stood the tests of war better than was expected a couple of years ago. Earnings have generally been satisfactory and the returns to investors well maintained. To date it appears that high rate of activity has kept pace, or perhaps slightly ahead, of rising costs.

Canadian Pacific Income High But No Dividend

From Our Own Correspondent

MONTREAL. — Canadian Pacific Railway reports near-record earnings for 1941. Gross railway income of $221.4 millions was nearly $50 millions more than in the previous year. Net operating income of $45.9 millions contrasted with $35.6 millions in 1940 and $28.5 millions in 1939.

Including other income and allowing for depreciation on hotels and steamships and fixed charges and full dividend on the preferred, balance was $2.19 a share on the ordinary stock. This compares with $1.13 in 1940 and 35 cents a share in 1939.

Despite the marked improvement in net income, the Board announces no dividend action will be taken on ordinary shares. After pointing out that the increase in earnings during the past two years has been due almost entirely to wartime activity and cannot be depended upon, the Board said greater benefit would result to the shareholders through strengthening of the company's financial resources. This will put the company in a better position to meet the unpredictable conditions of the postwar period which "may require extensive changes in facilities and services."

In the issued preliminary report, the profit and loss account shows no further provision for loss on U. S. lines. Details of special income reveal a healthy increase in dividends, interest, etc. Gross revenues of steamships remained practically unchanged, while income from hotels registered a gain of roughly 25%.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $	1939 $
Gross earnings	221,446,053	170,964,897	151,280,700
Working expenses	175,488,517	135,325,459	122,756,880
Net oper. income	45,957,536	35,639,438	28,523,820
Other income	18,605,051	16,659,156	11,995,136
Net revenue	64,562,587	52,298,594	40,518,956
Less: Fixed charges	24,228,698	25,380,715	24,700,693
Soo Line interest	749,465	805,830	805,830
S.S. depreciation	3,822,368	4,564,786	3,782,277
Hotel depreciation	1,400,624	1,402,207	1,448,008
Net income	34,361,432	20,145,056	9,782,148
Less: Pfd. dividends	5,042,782	5,042,782	....
Surplus	29,318,650	15,102,274	9,782,148
Earned per Share	$2.19	$1.13	*$0.35

*After allowing for full preferred dividend which was not paid.

Profit and Loss Account

	1941 $	1940 $	1939 $
Previous surplus	144,045,295	141,353,503	136,969,650
Surplus for 1941	29,318,650	15,102,274	9,782,148
	173,363,945	156,455,777	146,751,798
Less: Loss on lines abandoned	649,076	2,410,482	5,398,295
Exchange adjust.	1,670,032	....	....
Miscellaneous debits	658,901	....	....
U. S. line prov.	....	10,000,000	....
Surplus forward	170,385,936	144,045,295	141,353,503

Particulars of Other Income

	1941 $	1940 $	1939 $
Dividends	4,622,559	4,279,887	4,202,065
Interest, etc.	4,961,830	2,708,628	2,621,100
Steamships	*2,788,297	7,640,695	3,711,003
Hotels, etc.	*1,009,373	2,029,946	1,460,968

*After depreciation of $3,822,368 for steamships and $1,400,624 for hotels. In previous years gross income figures shown.

War Work Dominates Massey-Harris Outlook

Position of Massey-Harris Co. in the coming year is going to be determined primarily by restrictions on the supply of raw materials, mandatory limitations of total volume of business permissible, price ceilings, increased taxation and other items, all factors over which the company has little control, it is pointed out in the annual report.

The company has the advantage of being in an industry whose output is considered essential in wartime. A decrease in the company's production of farm machinery in 1942 is expected because of the shortage of essential materials, but its armament programme is expected to go a long way to compensate for any reductions in its regular business.

Crop Conditions

Operations in Canada last year were affected by a 22% decrease in wheat cultivation and an average yield of 13.5 bushels, nearly six bushels an acre less than the preceding year. In the United States favorable conditions prevailed and cash income from farm marketing rose sharply from $8,333 millions to $11,121 millions.

A slightly larger acreage in the Argentine was sown to wheat last year but was more than offset by crop failure in certain districts. The United Kingdom has continued to develop in agriculture and had above normal crops last year.

In South Africa unfavorable weather conditions counteracted government-sponsored measures to increase domestic production of wheat. In New Zealand increased acreage under wheat cultivation resulted in a crop of about 10 million bushels, expected to be sufficient for home requirements.

Production Delays

Regarding material supplies, it is stated that ever-expanding war industries absorbed such proportions of raw materials that even indirect war requirements and essential civilian needs were affected by a rapidly increasing degree of shortages. In spite of the high rating given to farm implements industry, production suffered delays and eventually many schedules had to be curtailed or abandoned altogether.

The company has endeavored to utilize more readily available material and has made important engineering changes. Many of these modifications of design or substitution of materials have since become mandatory and it is anticipated that further more radical changes along these lines will have to be made in the immediate future.

Since the close of the company's year both the Canadian and the U. S. governments have issued orders limiting manufacture of farm machinery for 1942 to about four fifths of the 1940 production. Repair parts were dealt with more liberally. It is anticipated that further limitations will be imposed due to increasing shortage of certain raw materials required by rapidly expanding war industries.

To carry out its share of the war production needs, the company's plants at Weston and Woodstock, Ont., have been rehabilitated and additional construction is under way at Weston.

The company is producing at the present time shells of different calibres, steel bodies for mechanized units of different types and dimensions, wings and spars for trainer planes, a special trailer unit, metal fittings for aircraft, links for tank treads and other items. In addition, it is stated, other important war material contracts are in process of negotiation.

Massey-Harris Co. has declared two quarterly cash dividends of 31¼ cents each on its new preferred shares. Payment is to be made April 15 and the periods covered by the declaration are the quarters ended Nov. 30, 1941, and Feb. 28, 1942. This marks the first dividends paid by this company since Nov. 15, 1930, and follows completion of the reorganization plan.

Company Reports

Maritime Trust

Earnings of Maritime Trust Co., Saint John, N.B., dropped to 2.59% on paid up capital in 1941 from 4.82% in 1940. H. P. Robinson, president, says the drop is due to two causes, increased taxation and the decrease in the amount earned in estates administration.

Dividend for 1941 of 2½% was paid March 1, 1942, comparing with a 5% rate paid in the previous two years.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Gross earnings	24,541	28,163
Less: Expenses	16,845	16,637
Depreciation	111	107
Taxes	3,143	3,153
Net profit	4,442	8,266
Add: Prev. surplus	25,528	17,262
Surplus forward	29,970	25,528

Capital Account Net Assets

	1941 $	1940 $
Liquid assets	214,764	215,052
Other assets	1,518	1,478
Less: Current liabs.	14,936	19,627
	201,346	196,903
Estates, etc.	2,824,650	2,623,594

Wentworth Radio

Wentworth Radio & Auto Supply Co., Hamilton, reports higher gross and net profits for 1941. On the 6½% preference shares, on which no dividends have been paid since April, 1931, the 1941 net is equivalent to $7.18 a share against $6.31 a year earlier.

Balance sheet shows improved working capital. Bank loan of $100,000 is unchanged from a year ago. Mortgage payable has been reduced by $1,500 to $26,250.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Operating profit	58,715	40,731
Less: Mort. interest	1,220	1,245
Depreciation	10,117	5,555
Executive salary	4,844	4,064
Directors' fees	780	780
Income & E. P. tax.	20,205	10,159
Net profit	21,550	18,928
Less: Prev. deficit	63,492	82,420
Tax adjustment	1,373	....
Deficit forward	43,315	63,492

Working Capital

	$	$
Current assets	376,204	382,910
Current liabilities	177,409	203,728
Working capital	198,795	179,182

Reliance Grain

Reliance Grain Co. reports net profits for 1941 equivalent to $15.29 a share on its preferred against $7.18 a share last year. Arrears on this stock were cut to $8.12½.

Dominion government policy of acreage reduction in wheat and increased production of feeding grains, coupled with unfavorable weather resulted in a reduced wheat crop last year although there was a gain in feeding grains. Reduced carry-over of wheat is expected at the end of July, 1942, due to this and increased exports.

Construction of temporary storage annexes increased storage capacity of the company by over three million bushels.

Balance sheet shows grain, coal and wood inventories at $21.4 millions at the end of 1941 compared with $16.7 millions a year earlier. Offsetting this are bank loans of $19.3 millions, up $4.3 millions. Funded debt has been reduced by $80,000 to $1,180,000.

Consol. Income & Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Operating profit	891,884	672,932
Add: Other income	9,948	9,689
Total earnings	901,832	682,621
Less: Bond interest	47,400	49,800
Directors' fees	700	660
Executive sals.	109,578	103,835
Depreciation	210,353	299,308
Income & E. P. tax.	228,000	85,285
Net profit	305,801	143,733
Less: Pref. divds.	162,498	130,000
Surplus for year	143,303	13,733
Add: Prev. surplus	746,466	733,031
U. S. subsid. profit	62,119	*298
Earned surplus fwd.	951,888	746,466

*Net loss after exchange adjustment.

	1941	1940
Earned per Share:		
Preferred	$15.29	$7.18
Paid	8.12	6.50
Common	1.76	0.13
No dividends paid.		
Shares O/s.:		
Preferred, $100 par	20,000	20,000
Common, n.p.v.	100,000	100,000

Working Capital

	$	$
Current assets	21,952,825	17,245,193
Current liabilities	20,635,592	16,058,921
Working capital	1,317,233	1,186,272

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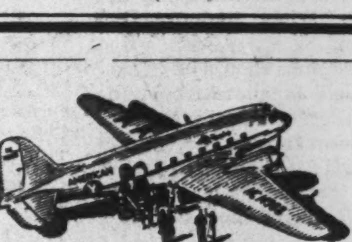

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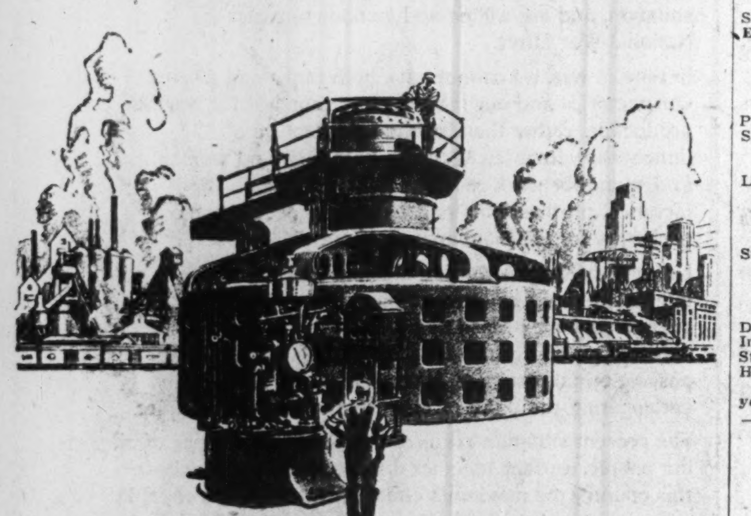

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Branches in the principal cities of Canada

NOTICE TO THE HOLDERS OF TRUSTEE'S CERTIFICATES OF WINDSOR, ESSEX & LAKE SHORE ELECTRIC RAILWAY ASSOCIATION

Notice is hereby given that interim liquidating dividend Number 2 of 6.7% will be paid on or after this date to all Holders of Windsor, Essex and Lake Shore Electric Railway Trustee's Certificates or Bonds.

Holders should forward their certificates to Guaranty Trust Company of Canada, Windsor, Ontario, for stamping and return, in order to receive payment of the dividend promptly.

This brings the total of the liquidating dividends to 84.7%.

Dated this 9th day of March, 1942.

GUARANTY TRUST
COMPANY OF CANADA
Trustee

TORONTO WINDSOR NIAGARA FALLS

NOTICE TO BONDHOLDERS

Abitibi Power & Paper Company, Limited

First Mortgage Gold Bonds Series A, 5%, Due 1953.

SECOND DISTRIBUTION

TAKE NOTICE that by Order of the Supreme Court of Ontario the Receiver and Manager has paid to the undersigned for distribution pro rata among the holders of the above Bonds the sum of $4,826,700 Canadian funds, to be credited on account of the principal moneys due on the said Bonds on April 15, 1942, such distribution being at the rate of $100 Canadian funds for each $1,000 original principal amount of Bonds held.

To become entitled to share in such distribution, each Bondholder (including a holder of registered Bonds) is required to present, on or after April 15, 1942, his Bond or Bonds with all interest coupons due June 1, 1932, and subsequent thereto, to MONTREAL TRUST COMPANY, 511 Place d'Armes, Montreal, Que., or 61 Yonge Street, Toronto, Ont., or 6 Lothbury, London, E.C.2, England, or to its agent, CITY BANK FARMERS TRUST COMPANY, 22 Williams Street, New York, U.S.A., with instructions as to the name and address of the person to whom the cheque in payment is to be issued. The Bonds so presented will be stamped with particulars of the payment and returned.

The distribution will be governed by the restrictions, regulations and instructions of the Canadian Foreign Exchange Control Board and the Canadian Custodian of Enemy Property. In particular, bearer Bonds held by non-residents of Canada must be accompanied by Canadian Declaration of Ownership (Form "G").

From and after April 15, 1942, interest will accrue only on the amount owing on the Bonds after crediting thereon the amounts of this distribution and of the first distribution made on October 15, 1941.

For further particulars apply to Montreal Trust Company or City Bank Farmers Trust Company above mentioned.

DATED the 12th day of March, 1942.

MONTREAL TRUST COMPANY.

NOTICE TO HOLDERS OF CERTIFICATES OF DEPOSIT

Abitibi Power & Paper Company, Limited

First Mortgage Gold Bonds Series A, 5%, due 1953.

The payment to which this Committee will be entitled in respect of bonds deposited under the Deposit Agreement dated June 10, 1932, will be disbursed under its direction by Montreal Trust Company as and when received to and among the registered holders of record on April 15, 1942, of the relative Certificates of deposit issued in respect of such bonds.

Presentation of the Certificates of Deposit will not be required.

NOTICE IS HEREBY GIVEN that, under and pursuant to the provisions in that respect contained in the said Deposit Agreement, the transfer books kept by the undermentioned Depositaries for the Certificates of Deposit issued thereunder will be closed from the close of business on March 31, 1942, until the opening of business on April 16, 1942.

All holders of Certificates of Deposit who are not the registered holders thereof should forthwith take action to have the Certificates of Deposit held by them transferred on the said transfer books into their own names if they desire to participate in the aforesaid distribution. The Secretary should be advised of any change of address.

DATED March 12, 1942.

Bondholders' Protective Committee,
H. J. SYMINGTON, K.C., Chairman.
ALLAN R. GRAYDON, K.C., Secretary,
2400 The Canadian Bank of Commerce Building, Toronto, Canada.

Depositaries:
City Bank Farmers Trust Company,
22 William Street, New York, N.Y.
Montreal Trust Company,
511 Place d'Armes, Montreal, Que.
61 Yonge Street, Toronto, Ont.

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

BUSINESS OPPORTUNITY

CANADIAN Patents for sale covering a proven Chemical Fire-Extinguishing System; Liquid Formula; Hand and Portable equipment. State qualifications and references. Box 260, The Financial Post, Toronto.

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WELL ESTABLISHED publishing business, two weeklies, job plant, movietone licensed theatre and operating, furnished house, orchard, garden, village property, modern conveniences, going concern and excellent opportunity. Ill health. Price complete $15,000. ⅓ cash, balance terms. In mining and ranching district. Combined circulation 1,500. Write M. L. Murray, or Bank of Commerce, Cariboo, Lillooet, B.C.

NOTICE

Holders of Bearer Bonds of
K. & S. TIRE & RUBBER GOODS LIMITED
and Preferred stock of
SEIBERLING RUBBER COMPANY OF CANADA LIMITED
are requested to forward same to the Chartered Trust & Executor Co., 34 King St. W., Toronto, in order that exchange be made with Common stock of
SEIBERLING RUBBER COMPANY OF CANADA LIMITED.

Seiberling Rubber Co. of Canada Ltd.

Toronto, March 5, 1942.

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Company Reports

Dosco

Dominion Steel & Coal Corp.'s operating profit from all sources in 1941, after taxes and before depreciation and fixed charges, amounted to $3.4 millions, about $300,000 more than in 1940. Net profits were $1.12 a share on the "B" stock, against $1.11 the year before.

All plants of the company and its subsidiary, with the exception of Wabana Mines, operated at practically full capacity during 1941. Plans are now under way to add to facilities in the form of a new plate mill, a new open hearth furnace, additional blast furnace, and an increase in power plant capacity.

Capital expenditures during the year amounted to $2.3 millions. Balance sheet shows an increase in working capital of around $2.4 millions to $13.7 millions. Other changes in the statement cover a rise in inventories, and a reduction in bank loans and payments due associated companies.

Consol. Income & Surplus Account†
Years Ended Dec. 31

	1941	1940
	$	$
Net revenue	*3,448,797	3,155,684
Less: Depreciation	1,795,924	1,551,036
Int. on loans	120,680	106,337
Int. income bonds	275,500	275,500
Int. underly. b'd.	90,639	65,438
Surplus for year	1,166,053	1,157,373
Add: Prev. surplus	4,862,006	3,704,633
Surplus forward	6,028,059	4,862,006
Earned: B common	$1.12	$1.11

*Including income from investments, and after providing for income and excess profits taxes. †Including wholly owned subsidiaries, but not results for Nova Scotia Steel and Coal Co. and Dominion Coal Co.

Working Capital

	$	$
Current assets	20,247,674	19,744,944
Current liabilities	6,527,409	8,407,774
Working capital	13,720,265	11,337,170

Balance Sheet Changes

	1941	1940
	$	$
Inventories	13,052,419	11,433,575
Accts. receivable	5,875,459	7,536,555
Owing by Subs.	337,353	109,495
Bank loans	800,000	1,410,548
Accts. payable	4,805,197	5,515,991
Pay. assoc. cos.	428,432	1,054,590
Sub. bonded debt	3,590,000	2,370,000
Property	29,232,372	28,645,731

Niagara Falls Loan

Earnings of Niagara Falls Loan & Savings Co. advanced sharply in 1941 to 2.61% to cover the 2% dividend for the first time since 1938. Gross operating revenue for the year was actually down some $7,000 from the previous year but operating expenses dropped $15,000 to account for most of the betterment.

Mortgages and real estate loans declined to $788,925 from $894,940, attributable to a drop in real estate held for sale to $332,344 from $527,823. First mortgages increased to $447,662 from $357,111.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Net earnings	55,692	47,643
Less: Deb. int.	4,837	6,857
Real est. res.	8,826	12,777
Mtge. res.	4,993	4,078
Taxes	16,850	8,470
Net profit	20,186	15,461
Less: Dividends	15,479	15,479
Surp. for year	5,293	*18
Add: Prev. surp.	9,632	9,600
Prof. red. debs.	9	50
Less: Tfr. gen. res.	3,767	......
Surp. forward	10,580	9,632

* Deficit.

Earnings per Share*

Earned	2.61%	1.99%
Paid	2.00%	2.00%

* Based on paid up capital of $773,970 in fully paid shares of $10 par value.

Can. Gen. Electric

Canadian General Electric Co.'s operations in 1941 reflect the changes brought by increasing devotion to war output. Operating income is almost doubled but, after allowing for heavier depreciation, income taxes more than doubled, and allocation of $750,000 to general working reserves, net profits are only moderately higher.

On the common shares, net for 1941 is equivalent to $12.57 a share against $11.71 a share in 1941. Dividends paid in each year totalled $8 a share. Income and excess profits taxes are more than four times the amount distributed in dividends.

Net working capital is up about $1,1 million but the changes in individual current assets and liabilities are far greater. The company's holdings of cash, Dominion treasury bills and government bonds are more than equivalent to total current liabilities.

D. C. Durland, chairman and president, states the company has suspended the usual annual offering of special shares to employees and in its place provided convenient facilities for purchasing Victory bonds and savings certificates through payroll deductions.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Operating income	10,012,162	5,370,598
Add: Invest. income	641,943	761,531
Profit on secur.	458,262	200,437
Total earnings	11,112,367	6,332,566
Less: Depreciation	1,137,540	823,454
Exec. & legal	134,313	182,853
Directors' fees	10,958	13,335
Trans. to work. res.	750,000	......
Income & E. P. tax.	6,600,000	3,004,905
Net profit	2,479,556	2,308,019
Less: Pref. dividends.	105,000	96,875
Com. dividends	1,510,760	1,510,760
Surplus for year	863,796	700,384
Add: Prev. surplus	9,655,511	8,955,127
Earned surplus fwd.	10,519,307	9,655,511
Earned per share:		
Common	$12.57	$11.71
Paid	8.00	8.00
Shares o/s:		
Preferred, $50 par	46,000	42,000
Common, $50 par	188,845	188,845

Working Capital

	$	$
Current assets	28,620,817	22,842,845
Current liabilities	11,423,016	6,716,237
Working capital	17,197,801	16,126,608

Balance Sheet Changes

	$	$
Cash	4,415,356	3,900,954
Dom. treas. bills	998,823	......
Govt. bonds*	7,958,237	8,531,437
*Market value	7,971,487	8,970,437
Accts. rec.	6,384,512	5,191,296
Inventories*	12,297,350	9,908,481

*After reserves including $552,847 in 1941 special E.P.T. reserve.

Advance coll. on contr.*	3,433,462	4,689,325

*Deducted from current assets.

Investment secur.*	3,232,395	3,432,497
*Market value	3,314,953	3,670,126
Fixed assets	19,336,209	17,378,648
Less: Depreciation	10,374,331	9,502,114
Accts. payable	2,300,486	1,933,285
Taxes payable	7,452,935	3,452,226
General reserve	7,696,734	6,761,826

Langley's Ltd.

Greater portion of Langley's Ltd. increase in earnings for 1941 was made in the first half of the year before rates and prices of supplies had risen appreciably, states S. R. Mackellar, president. Improvement was partly due to an increase in the volume of business, to economies, to alterations made to the plant in 1940, and to installation of modern equipment.

During the last half of year the increased price of gasoline, cleaning solvent and coal reached a level which, if maintained will cost the company about $8,000 more for a year's consumption of these commodities than before the war. To help offset increased costs cleaning prices were raised.

During 1941 two stores were closed and four new stores opened.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Operating profit	71,681	47,591
Add: Sundry income	4,218	1,705
Net earnings	75,899	49,296
Less: Depreciation	40,009	35,572
Taxes	11,908	4,803
Net profit	23,982	8,921
Less: Pfd. divds.	11,314	......
Surplus for year	12,668	8,921
Add: Prev. surplus	53,850	46,625
Tax adjust.	1,222	......
Insurance adjust.	......	930
Less: Sundry adjust.	711	95
Loss sale assets	......	2,531
Surplus forward	67,028	53,850
Earned per Share:		
Preferred	$4.23	$1.58
Paid	2.00	......
Common	d0.76	d0.93

Working Capital

	$	$
Current assets	239,899	227,463
Current liabilities	55,936	24,165
Working capital	183,963	203,298

Corrugated Paper Box

A. T. Whealy, president of Corrugated Paper Box Co., reports that volume of business in corrugated shipping cases, due in large measure to direct and indirect war orders, increased until it was limited only by the amount of material available. Volume of other products also increased and backlog of orders on hand at present is considerable.

Net profit for 1941 increased to $16.13 a share on the preference stock from $8.79 a share for 1940. Full dividends were paid last year and an additional $1.75 on arrears. This left arrears of $14 a share at the year-end.

Directors are stated to be giving "their earnest consideration to the best course to be adopted to deal with the outstanding arrears of preference dividends and outstanding income funding rights." This consideration is being taken having regard to the possible long-term adverse effects on the company of the Supreme Court decision declaring illegal the association of which the company and its subsidiary, Hilton Bros., were members. Fines of $10,000 each were assessed. Number of outstanding income funding rights remains unchanged at 3,483.

Consol. Income & Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Net oper. earnings	225,364	157,567
Add: Invest. income	21,175	9,131
Net earnings	246,539	166,698
Less: Depreciation	47,952	44,414
Directors' fees	400	400
Loss on invest.	156	1,148
Loss on equip.	462	......
Income & E. P. tax.	94,622	44,454
Conting. res.	......	20,000
Net profit	102,947	56,282
Less: Dividends	55,842	11,326
Surplus for year	47,105	44,956
Add: Prev. surplus	268,732	222,916
Adjustments	203	860
Surplus forward	316,039	268,732
Earned per Share:		
Preference	$16.13	$8.79
Paid	8.75	1.75
Common	1.24	0.24
No dividends paid.		
Shares held by Public:		
Preference, $100 par	6,382	6,402
Common, n.p.v.	47,000	47,000

Working Capital

	$	$
Current assets	644,892	525,560
Current liabilities	185,068	118,217
Working capital	459,824	407,343

Canada Steamships

Increased traffic and further improvement in operations of subsidiary companies have brought Canada Steamship Lines' revenue in 1941 to $17.2 millions, increase of $4.5 millions over the preceding year. Net profit after providing for full preferred dividend amounted to $978,430 or $3.26 a share on the common stock against $1.17 a share in 1940.

Working capital improved by about $300,000 to $3.3 millions. Cash and government securities on hand amounted to $5.8 millions after purchase of $2.3 millions of first mortgage bonds of the company and $62,500 of Kingston Elevator bonds against future sinking fund requirements. Net additions to property during the year amounted to over $1 million while inventories jumped $5 millions to $7.7 millions.

Cons. Income & Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Operating revenue:		
Vessels	14,050,503	10,913,387
Docks, etc.	727,752	642,386
Miscellaneous	2,268,479	1,003,483
Other revenue	*197,072	115,200
Total earnings	17,243,806	12,674,456
Less: Expenses	†10,666,846	8,937,028
Net earnings	6,576,960	3,737,428
Less: Bond interest	525,000	525,000
Subsid. interest	▪70,160	71,920
Depreciation	1,630,245	1,404,099
Res. for taxes	‡2,800,000	780,000
Net profit	1,551,555	956,409
Less: Pref. dividends	573,125	573,125
Surplus	978,430	383,284
Previous surplus	782,000	398,716
Surplus forward	1,760,430	782,000
Earned: Preferred	$6.77	$4.17
Paid	2.50	2.50
Earned: Common	3.26	1.17

*Including $153,075 from investments. †Including executive salaries of $75,194; directors' fees of $13,930 and legal fees of $3,015. ▪On bonds of Kingston Elevator Co. Ltd. ‡Position of company under the excess profits tax act not yet determined.

Working Capital

	1941	1940
	$	$
Current assets	8,451,039	5,523,788
Current liabilities	5,116,627	2,457,184
Working capital	3,334,412	3,066,604

Balance Sheet Changes

	1941	1940
	$	$
Cash	2,548,979	3,345,134
Demand deposits	2,005,000	450,000
Govt. bonds	1,314,687	740,312
Inventories	7,774,498	7,719,724
Investments	2,567,012	1,326,990
Accts. payable	1,412,096	747,737

Canadian Westinghouse

Canadian Westinghouse Co. reports a large gain in operating earnings last year. At $5.7 millions, this item is $2.6 millions over the corresponding item for 1940. Depreciation is up about $230,000 and taxes are more than doubled. In addition the company added $250,000 to its reserve for postwar rehabilitation from 1941 earnings.

The result is that net profits for 1941 are equivalent to $2.60 a share on the common against $2.20 in 1940. Dividends paid for each year totalled $2 a share.

Balance sheet reflects the increased scale of operations. Largest gains in the current items are in receivables, up $1 million, inventories which are up $2.6 millions, advances on contracts where the gain is $1.4 million, and in tax reserve. Net working capital is practically unchanged.

A wholly owned subsidiary, Hamilton Munitions Ltd., has been established to segregate certain war contracts which are largely financed by the government, from the company's regular business. The auditors report that no profits from operations of this subsidiary have been included in the parent company's statement. Investments in and advances to this subsidiary totalled $450,413 at Dec. 31 last.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Net oper. earnings*	5,686,546	3,022,444
Add: Invest. income	168,435	176,493
Profit on invest.	30,764	42,458
Net earnings	5,885,745	3,241,534
Less: Depreciation	667,433	430,151
Taxes	3,450,000	1,558,000
Pension fund	100,000	50,000
Post war rehabil.	250,000	......
Net profit	1,418,312	1,203,383
Less: Dividends	1,092,000	1,092,000
Surplus for year	326,312	111,383
Add: Previous surplus	6,538,149	6,426,766
Earned surplus fwd.	6,864,461	6,538,149
*After providing:		
Directors' fees	23,000	20,000
Exec. & legal	118,733	100,417
Earned per Share	$2.60	$2.20
Paid	2.00	2.00
Shares O/s., n.p.v.	546,000	546,000

Working Capital

	$	$
Current assets	19,381,536	15,139,624
Current liabilities	9,216,450	4,946,603
Working capital	10,165,086	10,193,021

Balance Sheet Changes

	1941	1940
	$	$
Cash	2,492,381	2,306,154
Securities*	5,437,286	4,943,520
*Market value	5,497,500	5,001,377
Receivables	2,701,291	1,736,609
Inventories	8,750,576	6,153,341
Invest. & advs. Hamilton Munitions	450,413	
Payables	2,216,945	1,550,021
Advs. rec. on contracts	3,192,561	1,751,459
Tax reserve	3,725,944	1,564,123
General reserve	650,000	400,000

Massey-Harris

Sales of Massey-Harris Co. in the year ended Nov. 30, 1941, increased approximately 25% over those for 1940. The 1941 results included 12 months' operations in South America and New Zealand, compared with nine months in 1940. On a comparable 12 months' basis, the increase would have been about 19%. War contract sales have not been included in arriving at the stated gains.

Total taxes paid last year were $1.9 million compared with $913,069 for the previous year. Detailed items follow:

	1941	1940
	$	$
Real estate, capital	286,766	266,759
Unemploy. insur.	127,648	75,835
Social security	70,154	50,475
Income taxes	1,440,000	520,000
Total	1,924,568	913,069

These figures do not include import duties, war exchange tax or sales tax.

How the company used funds becoming available last year is shown from the following table:

Disposition of Funds

Net profit for year	$1,125,118
Add: Deprec. not a cash expend.	473,536
Incr. pension & conting. res.	527,293
Total funds available	2,125,946
Less: Serial bond payments	500,000
Net expend. on plant	563,310
Dividend on preference	151,124
Increase net current assets	911,513

Regarding inventories it is stated trend toward increasing inventories, first mentioned in 1940, became more marked due to difficulties in obtaining raw materials, lack of shipping facilities. This made necessary purchases further in advance. In addition large quantities of materials have been necessary for war contracts. Inventory reserve is now about 11% against 10.15% in 1940.

Net expenditures on plant and machinery last year was $563,310.

Cons. Income and Surplus Account
*Years Ended Nov. 30

	1941	1940
	$	$
Net oper. income†	4,626,978	3,012,841
Add: Other income	132,092	119,318
Net earnings	4,759,070	3,132,159
Less: Depreciation	473,536	388,254
Int. on borrowings	187,854	159,966
Bond interest	424,625	442,125
Pension fund	99,500	95,920
Inventory res.	420,000	200,000
Bad debts & conting.	588,437	520,325
Income taxes	1,440,000	520,000
Net profit	1,125,118	805,569
Less: Pref dividend	151,124	......
Surplus for year	973,994	805,561

*Operations in South America and New Zealand for years ended Aug. 31 in 1941 and for nine months ended Aug. 31 in 1940. †After deducting:

Legal fees	15,787	6,972
Directors' fees	8,600	3,250
Executive	91,317	68,300
Earned per share:		
New preference	$2.33	*$1.66
Paid	0.31¼	nil
New common	0.71	*0.27
No dividends paid.		

*On basis of revised capital.

Balance Sheet Changes

	$	$
Cash	2,307,772	1,987,407
N. Z. & S. A. govt. bds.	259,877	......
Argentine serial notes	163,618	194,631
Receivables	15,345,053	15,547,978
Less: Reserve	2,656,290	2,487,874
Inventories	18,003,037	14,403,287
Less: Reserve	1,987,289	1,463,094
Invest. H. V. McKay	2,730,200	2,730,200
Less: Reserve	753,536	......
Fixed assets	13,373,303	12,968,059
Less: Depreciation	*9,291,518	8,992,011
Bank loans	1,196,581	1,920,867
Payables	4,757,085	2,865,896
Reserves	2,314,077	1,579,785
Funded debt	10,000,000	10,500,000
Deficit	......	21,264,688
Reorg. surplus	2,206,207	......
Earned surplus	973,994	......
Preference stock	9,671,920	12,089,900
Common stock	4,761,302	26,774,752

Collingwood Terminals

Collingwood Terminals Ltd.'s transfer business in 1941 was the largest since its inception states L. H. Boyd, K.C., president. Approximately 14.5 million bushels of grains were handled. Net profit of 95 cents a share on the combined preferred and common stocks compares with 43 cents for 1940.

In 1941, the company paid the town of Collingwood $65,000 on principal of its mortgage and current interest of $29,000. On Feb. 1, 1942, $25,954 was paid on principal, reducing this to $526,000 and eliminating all arrears of principal and interest.

Income and Deficit Account
Years Ended Dec. 31

	1941	1940
	$	$
Operating revenue	207,833	144,533
Less: Exp. & taxes	52,355	54,414
Depreciation	43,320	33,306
Interest	29,345	31,449
Income & E. P. tax.	45,377	8,878
Net profit	36,436	16,486
Less: Prev. deficit	106,630	154,831
Amort. deb. exp.	1,642	1,642
Tax adjust.	......	727
Add: Profit on secs.	16	13
Tax rebate	......	3,545
Deprec. res. adj.	......	30,526
Deficit forward	70,820	106,630
Earned per share:		
Pref. & common	$0.95	$0.43
No dividends paid.		
Shares o/s:		
Preferred, n.p.v.	13,345	13,345
Common, n.p.v.	25,000	25,000

Working Capital

	$	$
Current assets	99,362	48,764
Current liabilities	47,214	12,054
Working capital	52,148	36,710

Dominion Eleven Month Deficit $274.8 Millions

Expenditures by the Dominion government in February exceeded receipts by $54.6 millions to bring total deficit for the first 11 months of the current fiscal year to $274.8 millions. At the same date a year ago operating deficit stood at $292.3 millions.

War expenditures during the month at $132.9 millions were 61% higher than in Feb., 1941, when the total for this account was $82.7 millions. Income tax collections in February moved up to $45.6 millions compared with $28.4 millions a year ago.

For the 11 months, revenues at $1,253 millions were 71% higher than for the similar period of the previous year. Expenditures at $1,528 millions were up 49% from the previous year's figures of $1,026 millions.

Cost of war for the first 11 months amounted to $1,130 millions, an increase of 74% over the 1941 figure of $647.7 millions. For the 11 month period war costs amounted to 74% of total Dominion expenditures.

Figures for the month and 11 month period follow:

Receipts and Disbursements
February

	1942	1941
	—in $000's—	
Receipts:		
Customs	9,956	10,747
Excise duty	8,725	6,846
Excise, sales tax	34,868	26,466
Income tax	45,613	28,377
Post office	4,960	4,262
Sundry	5,427	4,128
Special	141	133
Total	109,691	80,961
Disbursements:		
Ordinary	23,446	20,783
Capital	87	141
War	132,980	82,696
Relief works	7,171	1,688
Sundry	15	86
Total	163,700	105,477

Ten Months Ended Feb. 28

	1942	1941
	—in $000's—	
Receipts:		
Customs	129,899	116,267
Excise duty	99,265	79,561
Excise, sales tax	402,437	243,663
Income tax	535,783	230,264
Post office	42,559	36,429
Sundry	39,817	26,173
Special	3,419	1,453
Total	1,253,179	733,811
Disbursements:		
Ordinary	354,695	329,279
Capital	3,356	3,141
War	1,130,328	647,731
Relief works	38,150	22,049
Govt. enterprises	1,142	16,028
Sundry	231	890
Total	1,527,904	1,026,104

Bond MARKETS

Ontario's tax deal difficulties with Ottawa have been ironed out, according to Premier Hepburn, and legislation to implement the arrangement is now being drafted. Under the terms of the scheme, Ontario will get some $29 millions in return for vacating the corporation and personal income tax fields. Currently being studied by provincial officials is a proposal initiated by some Ontario municipalities and merchants which would revise the system of business taxation so that it would be based on the volume of business a firm does rather than on the floor space it occupies.

* * *

Abitibi bonds were one of the most active issues on the market during the past week. An advance of around 3½ points was registered by mid-week mainly on the strength of the announcement that a 10 point capital distribution will be made on the bonds Apr. 15 next. This payment of $100 per $1,000 bond will mean a total distribution of $4,826,700 in Canadian funds.

* * *

Canadian Vickers continue in good demand with dealers reporting the bonds in light supply. This issue has attracted buying attention during the past few weeks to move up four or five points. The period during which interest was postponed ended Feb. 1 and the next interest payment in August will come around with an 18 point accumulation on the bonds. Some opinion is that the company is back into a position sufficiently strong to warrant some kind of a payment.

* * *

International Hydro - Electric 6's which have been undergoing market gyrations in recent months picked up a couple of points in a sudden burst of strength at mid-week. Reason was company announcement that the regular semi-annual interest payment of 3% will be paid on the bonds. The announcement caught some quarters by surprise.

* * *

Winnipeg Electric issues, both the A's and B's, have been firmer recently. The company's electrical output is continuing to hold at high levels, production in January at 98.6 million kw.h. being at approximately the same peak as the previous three or four months. During the week it was announced that 1941 interest on the B bonds will be paid at the rate of 4% May 1 next.

* * *

The Central Mortgage Bank which was created by the government before the war to help adjust mortgage debts in the Dominion and then was shelved due to outbreak of war remained inactive during 1941 but did manage to earn some money. The cash which was derived from the issue of capital stock is invested in short term Dominion bonds and profits in 1941 from this investment amounted to $3,579.

Abitibi Pays 10% on Bonds

Abitibi Power & Paper Co. bondholders will get another 10% ($100 per $1,000 bond) on principal of their bonds in Canadian funds on April 15, 1942, according to Montreal Trust Co. and the Bondholders' Protective Committee. This distribution will involve $4.8 millions in Canadian funds. It follows a previous distribution of 13% on principal made last October, bringing total payments since this company went into receivership to 23%.

There is still no word to date as to the result of the appeal against the sale order which was entered by the liquidator. The current payment has nothing to do with this appeal.

Brandram Paint Paying Interest

From Our Own Correspondent

MONTREAL.—Brandram Henderson Ltd. announces it will pay the full 6% interest on June 1 to holders of the 6% 20-year first mortgage income and fixed interest bonds.

A payment of 1% was made to bondholders for 1936; a payment of 2% for 1937, but bond interest was passed in 1938 and 1939. In 1941 the company paid 3%.

Under terms of the reorganization interest on the bonds up to and including June 1, 1941, was payable only out of net income and was non-cumulative. From June 1, 1942 to 1946, interest is on an income basis and is conditionally cumulative and thereafter becomes a fixed charge.

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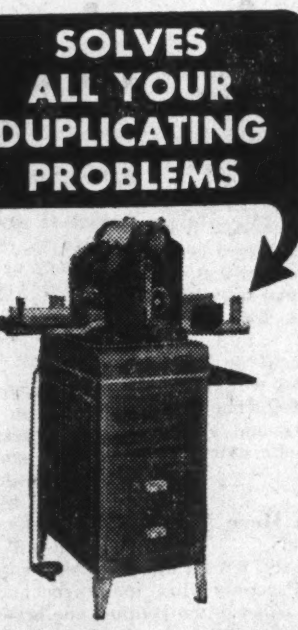

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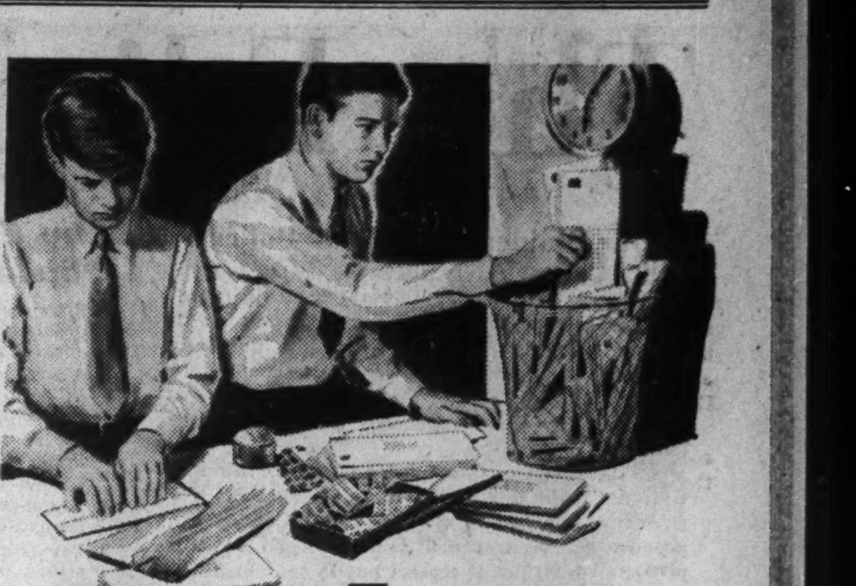

The hour that loses days—

Check the departures of mail trains and planes between 5:30 and 6:30 p.m. Are your letters leaving your offices as early as they might? Business mail an hour later than it needs to be—can be costly these days! . . . A Postage Meter was never more of a business "must" than it is now . . . The Pitney-Bowes Meter makes mailing (and mail!) move faster, saves effort and time when it counts for most at the end of the day!

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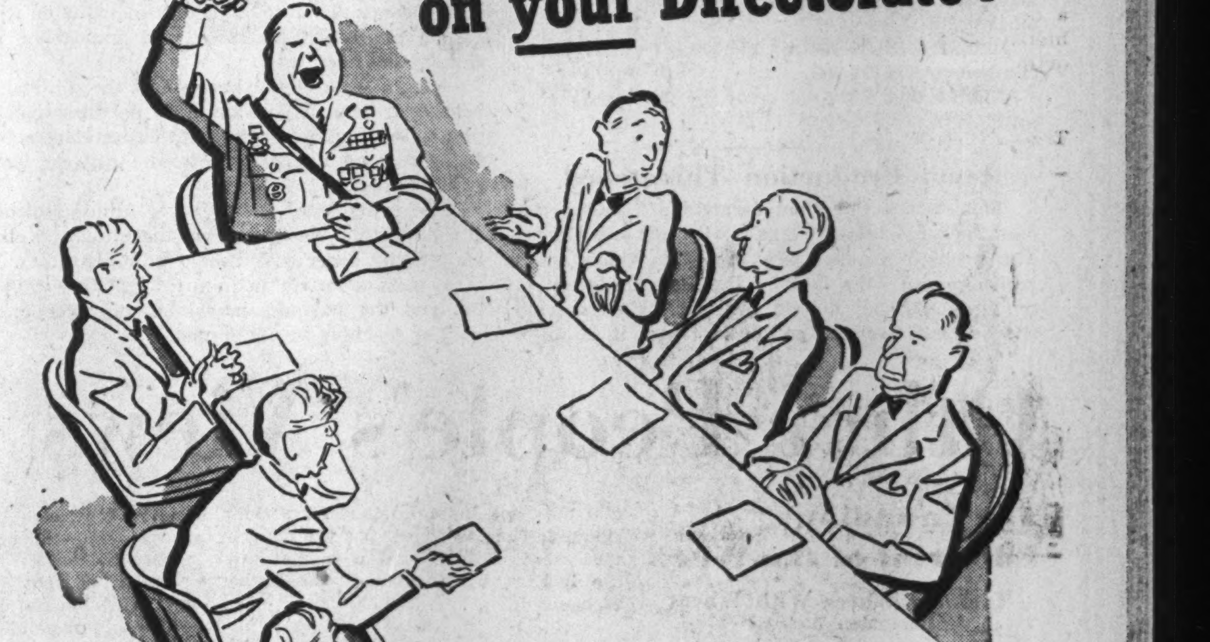


YES, it can happen! That huge, greedy, grasping hulk of a man sitting at your boardroom table, dictating with an iron fist the policies of *your* company.

Two years ago business men in France, or Holland, would have been quite indignant if you had suggested such a thing could happen here. Today Nazi leaders are in unquestioned control.

Remember, in wartime things happen with deadly rapidity. Terrific reverses . . . or decisive victories . . . come with startling suddenness. Today it's yours to make the choice. The future depends to a great extent upon the business leaders of Canada.

That is why every individual must throw selfish interests aside. We must accept the fact that every last man in Canada has but one objective before him today—To Win This War.

The comfortable conception of rights and privileges of happier days must be discarded. We must all undertake to do things we conceived almost impossible when financial reports measured the success of a business operation.

This message is issued by the Department of Munitions and Supply for Canada

BRAVE MEN SHALL NOT DIE BECAUSE *I* FALTERED

The Editorial Page . .

The Financial Post's Platform For War

1. *Effective mobilization of all resources, materials, productive capacity and man power, without reservation, for an all-out war effort.*
2. *A national cabinet, representative of all loyal groups, and consisting of Canada's ablest brains.*
3. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
4. *A non-political industrial executive to organize and direct procurement of war supply.*
5. *Pay-as-we-go policy, to the very limit consistent with an all-out war effort, to avert inflation.*
6. *Elimination of wasteful spending by public bodies or private individuals.*
7. *A national programme to deal with post-war employment and relief problems.*

Our Vulnerable Wheat Policy

In the parliamentary discussion on the government's new grain policy there appears no recognition whatever of the danger of expansion in wheat production. And yet by raising the basic price of wheat from 70 to 90 cents per bushel there is certainly grave risk of that development unless extraordinary and expensive precautions are taken.

In the House of Commons Agriculture Minister Gardiner made the prediction that before this war is over every bushel of wheat that Canada can produce will be needed. It is to be hoped that this prediction will prove correct but in the meantime we must face an entirely different situation.

The truth is that all available wheat storage is practically full, and a big crop this fall may mean further heavy charges for temporary shelter. At the same time we are facing a shortage of feed grains if our farmers are to produce all the bacon and dairy products that Britain will want this year.

True, the government has increased the ceiling prices of barley and oats, the grains that are chiefly wanted for livestock feeding. The price of flax, needed for vegetable oil, has also been raised. But these latter increases are only in keeping with the increase in wheat, so that the relative position remains unchanged.

Anyone with even an elementary knowledge of Western Agriculture knows that the average farmer, where possible, will grow wheat in preference to oats, barley or flax. He is more familiar with it and he believes it is cleaner and easier to handle. There is no reason to believe that this average farmer will not continue that preference this year.

Aside from those areas which produce top quality spring wheat and where it is practically the only safe crop that farmers can grow there can be little excuse for special assistance at this time. The only sensible course would be for the government to take whatever money it thinks it can afford for subsidies and offer this for the production of those grains of which we are short.

No Excuse for This Mistake

"I have here also some figures with regard to International Nickel Company. In 1938 this company, after having paid all their taxes, laid aside their reserves and provided for all other items for which deductions could be made, reported a net profit of $48,684,167. In 1939 they made a net profit of $58,266,488. In 1940 their profits were $68,740,870."

This statement was made in the House of Commons by P. E. Wright, M.P., of Melfort, Sask.

There is not the slightest excuse for a man in the position of an M.P. to publish misleading and totally inaccurate facts when the right figures are available for all to discover.

International Nickel's net profits in the three years mentioned were as follows:

1938	$32,399,470
1939	36,847,466
1940	35,544,722

In the same three years income (and franchise) taxes were as follows:

1938	$ 8,090,916
1939	11,322,121
1940	21,130,703

Mr. Wright was just $71 millions out in his figures of the company's earnings over three years.

He says the figures he quoted were "after having paid all their taxes, laid aside their reserves and provided for all other items for which deductions could be made."

This was sheer misrepresentation for he made no provision at all for taxes, depletion or depreciation.

Mr. Wright made a worse guess on 1941 earnings. He estimated they would be "over $78 millions."

Actually they were $34,356,401 and taxes climbed to $26,328,792.

That makes his total error for four years $115 millions.

Food Production Threatened

This spring Canadian farmers are facing the most serious labor shortage in all their experience. The problem is especially grave in those areas which produce the bulk of the food needed most by Great Britain during the war. Unless some speedy and decisive action is taken it is quite possible that thousands of acres will go uncultivated this spring.

Last fall in a series of articles for a group of Canadian weekly newspapers, John Atkins, now Printing Administrator for Canada, made a valuable suggestion for easing the farm labor problem. He urged, wherever feasible, the pooling of farm machinery in various communities and putting it into 24-hour service during the rush periods.

Mr. Atkins pointed out that there was a good deal of farm machinery idle through lack of repairs and also that some in repair was not being used to the maximum extent. Mr. Atkins also pointed out that many garage mechanics and their garages throughout the country were unemployed or nearly so as a result of restrictions on gasoline for automobiles. The government, suggested Mr. Atkins, should organize these mechanics to put all farm power machinery into first class shape. Then gangs would be sent up and down the concession lines who, for a standard charge would do the big jobs of spring cultivating and summer harvesting for any farmer lacking the necessary facilities of labor. That done, the average farmer and his family would manage the rest.

This suggestion of Mr. Atkins has been adopted by farmers themselves in some communities but for fullest advantage it would need the active support of the authorities.

Two things our armies must have if they are to win this war—arms and food. We cannot afford to neglect either. Great Britain this year is depending upon Canada for huge quantities of bacon, cheese, eggs, milk and other concentrated food products. At all costs any farms turning out such food must be kept at fullest production.

A Real Example in Saving

An excellent example in economy has been set by John Atkins, printing trades administrator for the Wartime Prices and Trade Board. In a special statement in Canadian Printer and Publisher Mr. Atkins ends a plea for the conservation of paper with this significant information:

"Notification of administrative orders, rulings, interpretations and policies will be made hereafter to the publishing, printing and allied industries through the trade press, in order to conserve materials and save expense. Publishers, printers, lithographers and others concerned with this administration should look to the foregoing sources for information. Only in exceptional circumstances will further direct mailings be made to the industry."

Hereafter the printer will be informed of official changes through his business paper. So far as Mr. Atkins is concerned there is to be no wasteful flood of individual mailed notices to thousands of printers, publishers and lithographers.

Since the war the mails from Ottawa have been jammed with orders, changes and new regulations. Some of these mailings run far into the hundreds of thousands. Thousands of tons of valuable white paper, much skilled labor and expensive machinery has been used.

And in spite of the heavy cost the job has not been well done. There has been needless overlapping with a high percentage of these envelopes from Ottawa going unopened into the nearest wastepaper basket.

The example of the Printing Administrator in checking this waste is one that might well be adopted by other government administrators. The press is an adequate medium for reaching the public; and the business press the most economical way of reaching business men.

• Background for Default

Since the Dominion-Provincial conference broke up a little over a year ago the development of the Canadian constitutional structure has not been entirely constructive. Instead of the movement toward centralizing the unemployment burden under the Dominion authority, the load has been progressively passed back to the agencies least capable of meeting it in times of stress.

Latest adjustment is reported for Ontario, where the municipalities will carry half the burden, the province the remainder. This contrasts with the pre-war position where the municipalities had only to meet one fifth of unemployment relief costs.

With relief now largely a question of providing for unemployables, the ratio in which costs are currently apportioned has little significance. Improving tax collections and land sales would permit many municipalities to carry 100% of the current burden without undue strain.

But the danger in the new set-up would become acute if unemployment became a real problem. Unemployment insurance as now constituted would not absorb the whole load, and the increased burden on the municipalities would again become a major factor in creating municipal bankruptcy, just as it did in the depression. Presumably an unemployment crisis would lead to rapid changes in the machinery to meet it, but as matters now stand, the Canadian constitutional structure, instead of being streamlined, has been shoved back to the model of ten years ago.

It Might Awaken Us

How close to the Canadian coast have ships been sunk? The government, no doubt for very good reasons, has not given out the information. Yet various published maps, based seemingly upon well informed "guesses," indicate that enemy U-boats have sunk ships very close to Canada.

If there are no impelling military reasons for keeping the information dark, would it not serve a useful purpose here to publish it?

It might help to awaken Canadians to the imminence of danger if they knew that U-boats have approached to within "X" miles of our coast to sink vessels loaded with Canadian-made supplies for overseas.

Municipalities Cut Costs

Many Canadian municipalities are to be highly commended this year for paring down expenditures. Every dollar they can save the hard pressed taxpayer is a dollar gained for the war effort. Here are a few samples from the 1942 municipal budgets now being announced:

Niagara Falls reports the lowest tax rate in 23 years . . . Rossland, B.C., lopped 8 mills off its tax rate . . . Peterborough's tax rate is down 2.7 mills . . . Oshawa's down one mill . . . St. Catharines reduces rate 1½ mills.

This sort of trend is in sharp and favorable contrast to the record of the first Great War. It indicates that many municipal authorities fully realize the importance of their responsibility and the vital necessity of conserving all our energies for the one supreme purpose of prosecuting the war.

Editorials in Brief

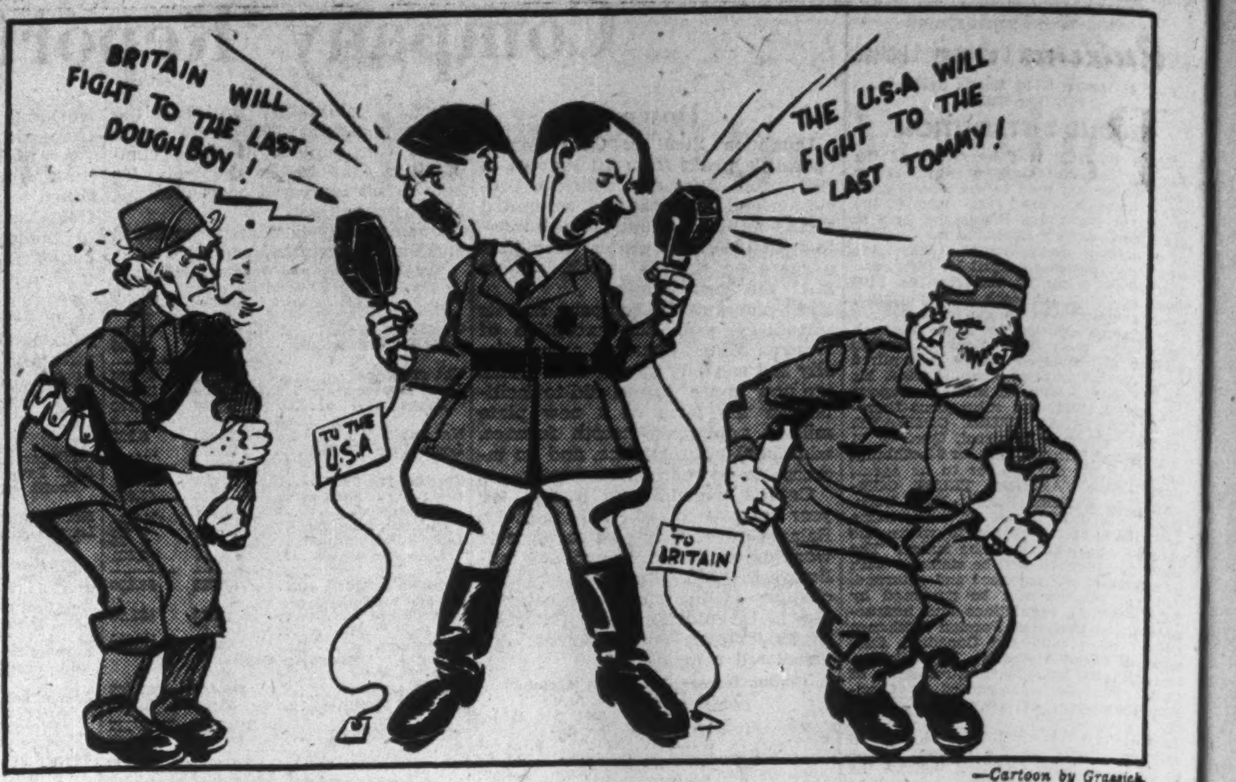
Coupons in many a gas ration book are going to last longer than the tires on the car they are supposed to fuel.

* * *

Thirty is the proper age for a lieutenant colonel, suggests Corps Commander McNaughton. There were plenty of this age and younger in the First Great War, which, we are now beginning to realize, wasn't such a badly run show after all.

* * *

Once upon a time when a person said he was working for the government, he implied he was on the payroll. Now it is often the reverse. A good example of this, in the corporation field, is seen in the figures released by National Breweries Ltd. in its 1941 financial statement. During the year the company and its subsidiary paid in taxes, licenses and duties nearly $9.4 millions. This was almost three times as much as the company made for its shareholders. Maybe $9.4 millions doesn't sound large these days when government expenditures run into the billions, but it is equivalent to 2.1 cents for every dollar which the Dominion government plans to spend on non-war account in 1942-43.



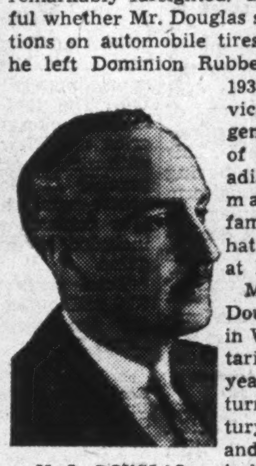
BERLIN DOUBLE TALK

—Cartoon by Grassick

Post-Scripts . . . .

Flying Hatter

M. L. Douglas, new president of John B. Stetson Co. (Canada) Limited, is credited by his acquaintances as being remarkably farsighted. But it is doubtful whether Mr. Douglas saw the restrictions on automobile tires coming when he left Dominion Rubber Co. back in 1935 to become vice-president and general manager of the new Canadian subsidiary, makers of the famous Stetson hat, then opening at Brockville.



M. L. DOUGLAS

Malcolm Lyall Douglas was born in Woodstock, Ontario just four years before the turn of the century. After public and high schools in his native town he went to the University of Toronto, then into a Canadian infantry battalion soon destined for overseas in the first Great War. Like so many young Canadians of the time he later switched to the Royal Air Force. After the war he retained his interest in flying and obtained his private pilot's license. Ever since this interest has been continued and among his recreations today flying is listed first with swimming and golf second and third respectively.

After his demobilization Douglas joined the Dominion Rubber Co. in 1919, went to England for that company in 1920 and remained there nine years as a director of the British subsidiary in charge of sales. He returned to Canada in 1929 to become general sales manager, Tire Division of the Dominion Rubber Co.

Mr. Douglas has always taken a very keen interest in the Boy Scout movement in Canada and is a member of the Dominion Executive Board. On the recent Second Victory Loan drive he was chairman of the Leeds and Grenville unit.

* * *

Scot to Aid Scot

Douglas Dewar, who has recently assumed new duties at Ottawa as a special assistant to Donald Gordon, the Chairman of the Wartime Prices and Trade Board, is like his chief, a Scot, who has now lived many years upon this continent.

The son of a well-known Glasgow banker, he was born at Burnside near the banks of Clyde and after being educated at Glasgow High School, decided to become a chartered accountant. With this objective he served his apprenticeship with Moores, Carson and Watson, a leading firm of accountants in Glasgow and soon after he had passed his final examination, he accepted an invitation to migrate to North America and join the staff of Marwick, Mitchell and Co., a firm of accountants which another Glaswegian, the late James Marwick had founded and built up into a very efficient organization with branches in most of the important centres of the United States.

Arriving in the United States in 1905, Dewar was sent first to the firm's office in Chicago. There he gained familiarity with American business and financial methods. His employers soon found that he was one of the ablest of their younger accountants and within a few years gave him high promotion by making him a partner of their subsidiary Canadian firm and placing him in charge of its office in Winnipeg. Managing its business very successfully he acquired the reputation of being the best accountant in Winnipeg. He interrupted his professional career in 1916 to go overseas in the last war. He served as an officer in the Canadian Forestry Corps, of whose accounts he had chief supervision.

After the war he did not return to Canada but having become a full partner in the larger American firm which had come to be called Peat, Marwick Mitchell & Co., he assumed the responsibility for its largest branch, the office in New York. Thereafter for nearly 20 years he led a very busy life, engaged in accountancy of the most onerous and responsible kind and gradually climbed to the top of his profession in New York. His clients included some of the largest corporations in the United States and he acquired a complete familiarity with the intricacies of American finance and industry.

The summer of 1939 found Douglas Dewar in his middle fifties the third ranking member of this great firm of accountants and lying ahead of him the virtual certainty of becoming in due course it head. But he had acquired a comfortable competence, sufficient for his needs, he was finding that the climate of New York no longer suited his health and he cherished a yearning to bring up his young son and daughter under the British flag. So when he decided to retire, he was easily persuaded by his wife, nee Amy Adair of Vancouver, who in her youth was a famous singer, that no region held so many attractions for a gentleman of leisure as British Columbia.

He had taken his family out to Vancouver and was looking around for a pleasant fruit farm in the interior of B.C. when the present war broke out. Under such circumstances a life of leisure held no charms for him, and, when he offered his services to the Foreign Exchange Control Board, they were immediately accepted. On the strength of his record he was appointed the Board's supervisor in British Columbia and has been serving without salary in this important post for more than two years with general acceptance.

For a complete newcomer to Vancouver he had not at first an easy role to fill but his rich background of financial and business experience enabled him to tackle with success the welter of complicated problems, which came before him and his very agreeable personality soon won him popularity with the business community in British Columbia.

The directors of the Foreign Exchange Control Board came to regard him as one of their most useful subordinates and Donald Gordon had formed such a high opinion of Dewar's abilities that he decided that they could be profitably employed in a wider sphere at Ottawa. So Douglas Dewar is now at Ottawa wrestling with another set of problems.

In private life he is one of the most companionable of men with hosts of friends all over this continent, they take delight in his keen sense of humor and are always ready to share with him his favorite diversions of golf and bridge.

* * *

Red Blooded Banker

A welcome visitor at one of the Ottawa director's meetings of the Canadian Weekly Newspapers Association, was George W. Spinney, chairman of the National War Finance Committee which has just made economic history in the recent Victory Loan Campaign.

Mr. Spinney made no attempt to make a speech, but he did recount one or two amusing and revealing anecdotes about himself.

It appears that at London recently, Mr. Spinney was sitting on the platform prior to making a Victory Loan speech. The chairman started eulogizing this "unorthodox banker" saying how different he was to the bank manager who (reputedly) was asked to give a blood transfusion for a friend. The friend died, whereupon examination revealed that instead of good red blood he had received only ice-water from the banker.

Just at this point Mr. Spinney blew his nose very vigorously. Out came a regular torrent—not of ice-water—but of good red Spinney blood. It took a nose specialist several minutes to get the red-blooded banker in shape to carry on the meeting.

G. W. SPINNEY

Another story was about his boy, now serving with the Canadian forces in sea-swept——. The lad sent father Spinney a cheque last week covering his subscription to the new Victory Loan. He assured his Dad that now, he could be sure "his little old War Loan" would go over the top.

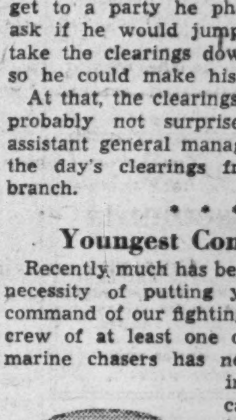
This is the same lad who a few years ago was working as a junior in a Montreal branch bank. Pressed for time to get to a party he phoned his Dad to ask if he would jump in the car and take the clearings down to head office so he could make his "date" on time.

At that, the clearings night staff were probably not surprised to see their assistant general manager walk in with the day's clearings from an outlying branch.

* * *

Youngest Commander

Recently much has been said about the necessity of putting younger men in command of our fighting forces. But the crew of at least one of Canada's submarine chasers has never shown any interest in this campaign because it claims that its chief, Sub-Lieutenant Norman M. Simpson, age 24, is the youngest commander of any ship in the Royal Navy.



N. M. SIMPSON

Young Simpson is the son of Jas. I. Simpson, president and general manager of the Dunlop Tire and Rubber Goods Co. Ltd. He is Mr. and Mrs. Simpson's only child. After attending Upper Canada College he graduated well up in his class of Political Science and Economics at the University of Toronto in 1940. Next he proceeded to study law at Osgoode Hall. But with the greatest war in history going on, his interest was divided. For six months he attended a special naval course at Sunnyside, Toronto. In May, 1941, he gave up his law course for the duration and joined up full time with the R. C. N. In addition to his naval training, Norman Simpson is a qualified pilot, having 60 hours solo to his credit.

* * *

Stop Me If . . .

The Japs have demonstrated the value of methodical and secret preparation, down to the most minute detail . . . well illustrated in this story from Hollywood:

A beautiful movie star had employed Japanese help for many years. The day after Pearl Harbor she asked her butler: "You wouldn't cut my throat, would you?"

"No, no," he replied with the greatest fervor . . . "That gardener job. . . . Me burn house."

Other People's Views . . . . . .

The Canadian Editorial of the Week

Taking Chances With Wheat

Edmonton Journal

Many whose opinions in regard to the outlook for wheat must be respected are unable to share the optimism with which it is viewed by Mr. Gardiner and to which he gave expression once again at Ottawa this week. He told the house he thought the surpluses that have been accumulating would be needed prior to the conclusion of the war.

But it is strange that he should be emphasizing that belief, while at the same time urging that Canadian wheat acreage be kept down and sponsoring legislation under which farmers are to be reimbursed for doing so.

Is it reasonable to expect them to sow less wheat, if they accept as well-founded the prediction of the minister of agriculture that "some time before the end of the war every bushel of wheat that is grown in Canada between now and the end of the war will be required to feed the people in Europe and in some other parts of the world?" Such a statement, along with the 20 cents per bushel increase in the board's initial payment, is bound to lead more of the farmers to take a chance with a large wheat acreage.

It can only be hoped that the reliance on "a more stable form of agriculture" in the areas in question, which has increased to such an extent in recent months, will be continued even with a higher wheat price assured. One would think that there would be no doubt about this, in view of recent returns from such operations and the prospects that they will be maintained for a considerable time to come. But the danger that many will respond once more to the lure of wheat-growing has to be recognized.

* * *

As Others See Us

French-Canada and the War

Le Devoir, Montreal

The Financial Post, newspaper of the world of business, makes commendable effort to understand the French Canadian, even if it does not quite succeed.

In one of its recent editions The Financial Post has published a lengthy report on a study made in our province by its chief editor, a man of good faith, to be sure, and who apparently has no racial prejudices.

The French Canadian, says The Financial Post seems to have no objection to compulsory service for the defense of North America. Nevertheless, says The Post, the French Canadian stubbornly opposes compulsory service for overseas and "the plebiscite will settle nothing on the question of conscription for overseas, even in Quebec." That is very true, and Quebec will vote "no" on the plebiscite. On conscription, Quebec stands by the strong and categorical statement of Ernest Lapointe "Never."

Pearl Harbor, according to The Post, exercised a strong influence on Quebec and led to the vigorous expression of opinion, in several Quebec newspapers, that now that enemies confronted us on both our coasts it was important to guard Canada, as well as North America, with a larger number of soldiers than have heretofore defended us. And what is wrong with that view? When Germany was the only enemy we had to fear, and only on the Atlantic side, one could perhaps believe that it was prudent to go overseas to fight. Now, the argument does not hold. How are we going to fight Japan on the other side of the Pacific? How can we invade her. It is impossible. Should we go to Singapore, Malaya, Burma? They are too far to send troops in time. And it is already too late. It is merely good commonsense, and the facts demand that we should prepare against Japan ourselves, on our own second front, the Pacific Coast. . . .

The Financial Post ought to have enough sense to realize that we are not so wrong, we Canadians of Quebec, who think always of Canada first and, at this time, of the defense of our extensive coastlines.

* * *

Industrial Revolution Here Now

Vancouver Sun

The war, we all say loosely, is part of a world-wide revolution. Precisely what that means, no one knows. All we really know of it now is what we see about us in terms of physical change. In Canada the change has been much larger than most Canadians realize.

Thus The Financial Post reports that between August, 1939, and August, 1941, the volume of Canadian manufacturing advanced 59%; iron and steel output, 165%; steel alone, 64%; industrial production, 43%; physical volume of business, 37%; construction, 32%; newsprint, 24%; car loadings, 21%; mineral production, 12%. At the same time the cost of living advanced 14% and wholesale prices in general, 27%.

Whatever may be happening in the world revolution—and we do not pretend to know—it is clear that Canada has embarked already on an industrial revolution, the end of which is not yet in sight.

The Mail-box

Transport Hint

In the paragraph "Transport after April 1," under "The War and Business" in a recent issue railway authorities are quoted as saying that it would be impossible to restore all the local trains of 20 years ago without very heavy purchases or building of new equipment which, in either case, would entail long delay and interference with war production.

Why not adapt some of the buses now operating on the highways for use on railway tracks? A crew of one or, at most, two would be adequate for each vehicle as tickets, express, etc., could be handled by the regular railway staff at each station. One bus, operated under efficient management from a central point, could probably handle all the passenger and express traffic on more than one branch line on most days of the week but, if necessary, this service could be augmented by a semi-weekly service, using the regular but slower, railway rolling stock, such as is now provided to many rural points. Motor buses, adapted for use on rails, could also be brought into general use at larger centres for the handling of suburban passenger traffic.

The idea of adapting road vehicles to railway use is not a new one. In Great Britain the railway companies promptly met increasing road competition by introducing buses which can be quickly and easily changed over and converted from railway use to road use—or vice versa.

G. B. KEY,

Hamiota, Man.

Sayings of the Week

"Stalin's position among the people of Russia is ten times as strong now as it was when the war started."—*Sir Stafford Cripps.*

* * *

"We confiscate only once, but we can tax perpetually, provided we preserve our enterprise." — *Senator Walter F. George, of Georgia.*

* * *

"At some time before the end of the war every bushel of wheat that is grown in Canada will be required to feed the people in Europe."—*Hon. J. A. Gardiner, Minister of Agriculture.*

* * *

"It would be a prolongation of the present world agony if, after this war is over, any of us again put blinkers on our blinkers."—*Henry A. Wallace, vice-president of the United States.*

* * *

"This is no time to pass around a discreditable story just because one has always enjoyed a good poke at a Yankee, or a good crack at the British."—*Lord Halifax, British Ambassador to U. S.*

* * *

"Few of us walk enough. Few of us understand that by all odds the best exercise in the world is walking in the open air, in the country by preference."—*J. V. McAree, Globe and Mail Columnist.*

* * *

"The farmers of Ontario are getting a fair deal. If our income in the west were derived entirely from animal products we would not be doing any kicking today."—*P. E. Wright (Melfort, Sask.) in the House of Commons.*

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner reliable information respecting investments, business and national affairs in Canada.

FLOYD S. CHALMERS, Editor
DOUGLAS M. GOWDY, Business Manager

Published by

The MacLean Publishing Co., Limited
481 University Avenue, Toronto 2.

JOHN BAYNE MACLEAN, Founder and Chairman.

HORACE T. HUNTER, President.

H. VICTOR TYRRELL, Vice-President and Managing Director.

Subscription Terms: Single copies, 10 cents. Yearly, in Canada, United States, Mexico and British Empire, $5; all other countries, $6. **Advertising Rates:** Single insertion $4.20 per inch. Contract terms upon request. **Montreal:** Dominion Square Building, Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.

Ottawa: 260 Irving Ave. (Tel. 8-0847); Kenneth R. Wilson, Resident Correspondent.

New York: 522 Fifth Ave.

Chicago: 309 West Jackson Blvd.

London, England: Quadrant House, 55 Pall Mall, S.W.1.

Cutting the Costs in Canadian Business

Paint Cuts Mean Big Saving to Trade

Color Eliminations Chop Inventory Deadwood

By ROBERT C. STARK

Canadian paint dealers from now on will be able to get along with 25% to 30% less capital invested in stocks of paint gathering dust on their shelves.

Manufacturers from now on will continue doing the same peak business but will be able to concentrate on a number of colors 20% to 50% less than heretofore (actual average reduction will be around 35% or 40%).

Furthering the programme that is spreading throughout Canadian industry to cut costs so that retail price ceilings may be maintained and to help conserve materials, Mrs. Phyllis G. Turner, Oils and Fats Administrator, has made an order limiting the number of colors for paints and varnishes that may be manufactured.

The reductions, while substantial, will work no hardship on the consumer. There are still 20 different colors of house paints available, and it is felt that variety should satisfy almost anyone. If a dealer should now not stock some particular shade to satisfy someone's aesthetic taste, it is a pretty safe bet that a combination of the colors that are available will result in something closely approximating the shade desired.

Manufacturers generally, as well as retailers, are greeting the new official restrictions with considerable enthusiasm. It has long been realized by the trade that there were too many colors being made. Competition resulted in the growth of voluminous color charts with only very minor differences in shade between several options. In order to keep in the thick of the competitive fight, it is freely admitted, that the production of some lines was undertaken but that actually production was not economically warranted from the business obtained.

Slow-Sellers Out

The cut-down not only provides more paint of a limited number of shades, but many of the colors that are now eliminated were slow-selling lines that tied up considerable money for long periods. The reduction in color options will mean a concentration on good-selling lines, turnover will be faster, payment by dealers will be speeded up.

It is emphasized that while these reductions are apparently drastic on the surface such is not actually the case. What people want in paint is protection and beautification. In the number of colors still offered there is no question those essentials will be supplied.

Most manufacturers of house paint formerly stocked around 30 different colors which will now be cut to 20. Interior wall finishes usually ran 14 to 16 different options and these will now be cut to eight. Some sources in the trade say that actually only about 12 different colors of house paint enjoyed volume sale at any time, and maximum of 16 sold at a rate worth mentioning.

That condition to some suggests that further reductions in the number of house paint colors may eventually be adopted.

On the sizes of paint cans the hand of war economy has already fallen, may fall heavier.

Canadian paint so far as the ordinary buyer is concerned is sold in three sizes instead of five. Paint is now put up in gallon, quart and half-pint containers; half-gallon and pint cans are out. Enamels are also sold in quarter-pint size.

Elimination of the pint container was not a particularly welcome blow to most of the trade as this size has been quite a big selling line. Its cutting out now means that a buyer has to take two half-pint tins, which does not look much like a saving for either the paint or container maker.

Reason for retaining the half-pint size in favor of the pint was that many chain stores had built up a large business for half-pints and odd sizes approaching the half-pint measure.

The trade for years has been recommending elimination of the half-gallon size here without much success up to now although it disappeared from the United States paint scene long ago. Further reduction in number of sizes is anticipated by a reminder that in the U. S. paint is put up only in gallon and quart containers, there are no pint, half or quarter-pint tins for sale.

In addition to that, paint tins are now made of ternplate, not tinplate, and Canadian supplies of that product come from the United States, something else which may point to further cuts.

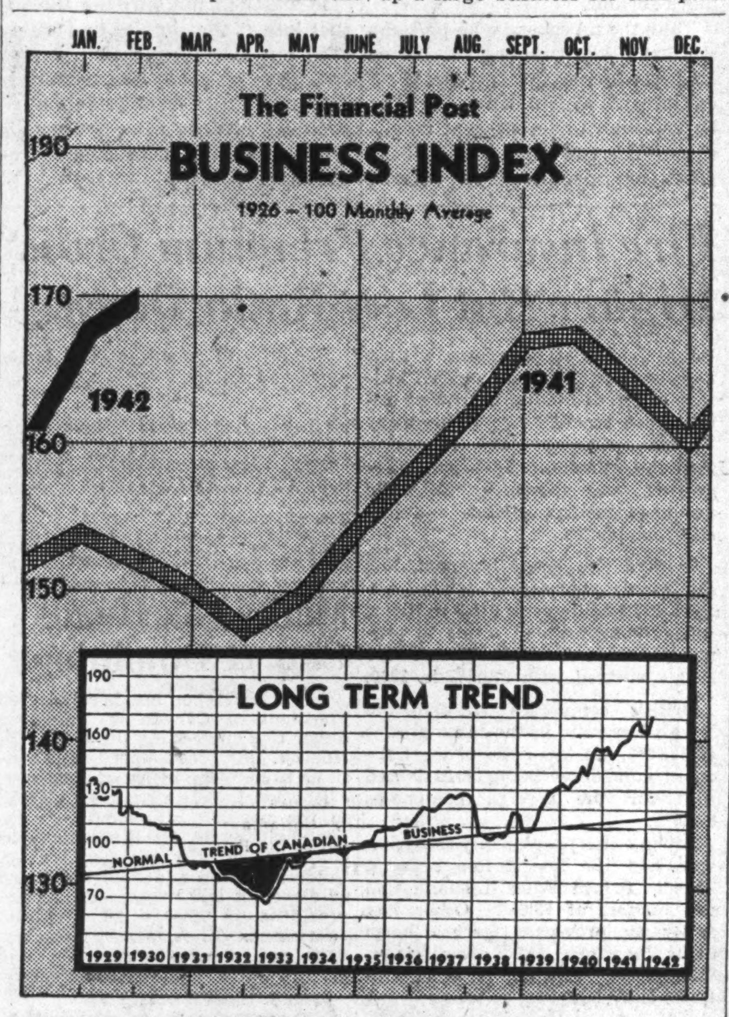
Long-Term Question

Should those further cuts in either number of colors or sizes of containers materialize it won't bring any gray hairs for the paint men. Such cuts simply mean that their business is being brought back to a sounder, more economic basis.

The actual order dealing with cutting down on the number of colors for paints and varnishes is dated March 7, 1942, and provides that no person after that date shall manufacture, sell or offer for sale any of the paint and varnish materials listed in colors in excess of the maximum number of shades or colors indicated:

	Qual.	Max. No. of Shades
House paints	1st	20
	2nd	16
	3rd	8
Flat wall	1st	8
	2nd	6
Interior semi-gloss		8
Interior gloss		8
Floor enamel & porch paints*	1st	14
	2nd	6
Interior & exterior enamels*	1st	24
	2nd	8
	3rd	8
Wagon, implement, tractor pts.		4
Varnish stains	1st	4
	2nd	4
	3rd	4
Interior stains		6
Shingle stains & paints		12
Barn & roof paints		4
Cem't, brick, stucco oil paints		6
Oil colors (1 quality only)		24
Varnishes, incl. Japans, driers, asphaltums, glazing liquids, mix'g oils, bronzing liquids, wall sizes, floor sealers, liquid fillers, flatting oils and all similar materials		30
Water paints in paste, powder or liquid form		†8
Cement, brick & stucco paints in powder form		6

*Combined. †Eight of each type.



The Week in Business

Indications now are that 1942 will see Canadian production at an all-time record. Not all factors showing the trend of industries are clear. In some fields, particularly mining, early February indicators are mixed. Where need for war production can be supplied, it can be safely assumed industries have the go-ahead signal.

Business index computed for The Financial Post rose again in February, according to preliminary figures, hitting 170.5, a new record and 15.2 points above a year ago.

Employment in manufacturing industries in January rose slightly from December to 188.4. In all industries, however, there is a small decline to 165.8 from 168.8

Passenger car and truck domestic sales in January were up 5.4% for the former and 33.8% for the latter. Factory output for passenger cars does not show the same trend and subsequent months will show sales cut drastically as the effect of curtailed production is felt.

Fisheries statistics show a decrease of 1.7% in weight of catch last year but an increase of 40.2% in landed value.

Coal production and imports are both higher in January this year than a year ago, the former 6.7% and the latter 76.3%.

Crude oil imports in the first month of this year were 61.1% above the corresponding month of 1940.

Cotton consumption in February was moderately above the same month a year ago and for the first two months this year, the gain is 3.8%.

MONTHLY INDICES

	Feb.	Jan.	Dec.	Nov.	Year Ago
■The Financial Post business index	°170.5	168.0	166.6	164.8	154.8
National Income, D.B.S.•	....	....	456.4	442.3	418.9
■Dom. war expend.•	109.7	145.2	124.4	120.0	80.9
■Dom. total revenue•	163.7	120.5	111.5	108.4	105.5
■Dom. total expend.•	132.9	184.6	168.0	170.3	82.7
Retail sales index no.	....	151.3	147.3	138.1	124.5
Dept. store sales index no.	....	152.1	145.8	137.6	123.5
Wholesale sales index no.	....	132.3	137.4	147.4	106.2
Country store (% change pr. yr.)	....	+20.5	+14.4	+5.5	+2.4
Divd. payment index⸸	121.4	121.3	120.3	119.3	120.0
COST OF LIVING—					
D.B.S. index	115.7	115.4	115.8	116.3	108.2
EMPLOYMENT INDEX Nos. D.B.S.—					
■All industries	....	165.8	168.8	167.6	134.2
■Manufacturing	....	188.4	187.5	185.0	144.7
■Payroll index (a) (1937=100)	....	185	193	186	144
			Jan. 1 to date		%
RAILWAYS—	1941-42	1940-41	1941-42	1940-41	Change
■Carloadings (week Mar. 7)	62,137	58,806	607,252	528,602	+14.8
■C.N.R. gross (week Mar. 7) $	6,418,000	5,094,000	57,335,000	46,264,000	+23.9
■C.P.R. gross (week Mar. 7) $	4,449,000	3,472,000	41,347,000	32,264,000	+28.2
C.N.R. net revenue (Jan.) $	5,157,112	3,150,394	....	....	+63.7
C.P.R. net revenue (Jan.) $	3,184,062	2,665,761	....	....	+19.5
IRON AND STEEL—(January)—					
Pig iron production (tons)	163,156	115,455	......	......	+41.3
Steel ingots and castings prod. (tons)	257,069	208,659	......	......	+23.2
AUTOMOBILES—(Number)—					
Passenger Cars:					
■Domestic sales* .. (Jan.)	6,043	5,733	......	......	+5.4
Factory output ... (Jan.)	4,249	11,990	....	....	—64.5
Trucks and Buses:					
■Domestic sales ... (Jan.)	3,043	2,274	......	......	+33.8
Factory output ... (Jan.)	17,502	11,205	....	....	+56.2
Financing:					
Used (Jan.) $	1,675,898	2,452,366	....	....	—31.7
New (Jan.) $	1,623,444	2,168,043	....	....	—25.1
CONSTRUCTION—					
Contracts awarded (Feb.) $	11,052,200	24,704,600	23,933,100	51,284,400	—53.3
■Cement prod., bbls. (Dec.)	369,000	293,000	8,358,000	7,565,000	+10.5
AGRICULTURE—					
Flour prod., bbls. .. (Jan.)	1,555,850	1,177,369	....	....	+32.1
Flour exp., bbls. ... (Jan.)	750,363	354,818	......	......	+111.7
Wheat exp., bush. .. (Jan.)	11,144,808	4,880,080	......	......	+128.3
Cattle sales▲ (Feb.)	76,861	68,750	187,137	152,457	+22.8
Hog sales▲ (Feb.)	507,817	511,468	1,102,732	1,043,727	+5.6
SEA FISHERIES—‡					
■Catch cwts.▲ (Dec.)	374,300	511,990	10,795,400	10,989,700	—1.7
■Landed value (Dec.) $	918,900	1,006,900	25,407,930	18,129,200	+40.2
NEWSPRINT—					
■Production, tons ... (Feb.)	278,101	245,607	590,005	506,905	+16.4
■Exports (Feb.)	14,248,000	10,324,000	26,913,000	20,087,000	+34.1
MINING AND OILS—					
■Coal prod., tons .... (Jan.)	1,897,954	1,777,863	....	....	+6.7
■Coal import, tons .. (Jan.)	933,613	529,570	......	......	+76.3
Gold rec., fine oz. .. (Jan.)	442,038	461,602	....	....	—4.2
■Crude oil, imp. gals.† (Jan.)	88,896	55,197	......	......	+61.1
ELECTRIC POWER OUTPUT—(January)—					
Total monthly, 1,000 kw.h.'s	3,226,289	2,634,695	....	....	+22.4
FOREIGN TRADE—♦					
Imports (Jan.)	$142,126,584	98,382,462	......	......	+44.4
Exports (Jan.)	$152,307,437	88,952,659	......	......	+71.2
OTHER INDUSTRIAL FACTORS—					
■Dressed lumber exp.: 1,000 bd. ft. (Feb.)	128,978	151,941	232,421	316,833	—26.7
■Shoes, prod., pr. ... (Jan.)	2,463,947	1,901,085	......	......	+29.5
■Cotton consump., lb. (Feb.)	16,702,248	16,603,876	33,535,704	32,283,458	+3.8
■Raw rubber imp. lb. (Jan.)	434,268	14,093,037	......	......	—96.9
Cigarette cons., No.† (Jan.)	747,733	623,571	....	....	+19.9
Sugar manufactured .. lb §	90,187,029	87,221,405	1,199,719,338	1,137,792,237	+5.4
FINANCE—					
Bank debits† (Jan.) $	3,230,789	2,941,104	....	....	+9.8
Bond sales† (Jan.) $	90,326	81,686	....	....	+10.5
Life insurance sales (Jan.) $	43,081,000	28,326,000	....	....	+52.1

*D.B.S All Canada figure covering 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▲Total at yards and plants. New items for week marked ■.
†000's omitted. §For four weeks to Dec. 31. ♦Gold excluded.
•Millions of dollars. °Preliminary. ⸸Supplied by Nesbitt, Thomson & Co.
(a) Compiled by Canadian Bank of Commerce.

Forecast Record Output In Canada For 1942

February figures indicate that a new high point has been reached in business operations in Canada. The war programme has shown expansion from month to month and many of the plants built or extended for this purpose are now in operation. It is anticipated that 1942 will be the most productive in Canada's history.

Bright spot in the February picture was the increase in domestic exports and in the operations of the forestry industry. Decline was shown in new business obtained by the construction industry and dairy production was at lower point after seasonal adjustment. Canned salmon exports showed a marked gain. Available indexes relating to mineral production were inconclusive.

Major Economic Factors

		February 1942	February 1941	% Change Feb., 1942-41	January 1942
The Financial Post business index*		170.5	154.8	+10.1	168.0
Bank deposits*		159.1	144.1	+10.4	156.2
Cheese, factory production	lb.	3,706,971	959,568	+286.3	4,409,991
Butter, creamery production	lb.	9,410,723	9,971,620	—5.6	10,701,597
Canned salmon exports	cwt.	137,820	34,388	+300.8	51,243
Newsprint production	tons	278,101	245,607	+13.2	311,904
Woodpulp exports	cwt.	2,437,967	1,687,482	+44.5	2,367,785
Planks and boards exported	M. ft.	128,978	151,941	—15.1	103,443
Shingles exported	squares	319,356	276,916	+15.3	199,137
Contracts awarded	$	11,052,200	24,704,600	—55.3	12,880,900
Cotton consumption	lb.	16,702,248	16,603,876	+0.6	16,833,456
Carloadings	no.	248,549	217,533	+14.3	271,946
Exports—domestic	$000	166,519	99,596	+67.2	150,520

*1926 equals 100.

Westinghouse Sets Record

Domestic Appliances Restricted But Munitions Output Growing

Shipments by Canadian Westinghouse Co. in 1941 were largest in its history, due to the very large demand for electrical products for war purposes.

Reviewing operations for 1941, the directors' report, signed by Paul J. Myler, chairman, and John R. Read, president, shows that the company placed its manufacturing facilities at the disposal of the government, leaving the latter to decide what would be made. A large number of contracts have been placed with the company for widely varying types of munitions, all requiring exact specifications and some of them intricate and complex to make.

It became necessary to erect new buildings and extend old ones. A large amount of tool equipment had to be installed, specially adapted for production of these devices.

Preparatory Work Completed

On some of these contracts production has been in full swing during the past year and on the remainder the preparatory phase is now over. The company expects, therefore, that its production of munitions in 1942 will be even greater.

It is now evident that restrictions on the manufacture of domestic appliances will become more and more severe throughout the remainder of the war. It is said to be highly improbable that this section of the business will play an important part in activities for some time to come.

Sales in the air brake department last year were considerably in excess of those for 1940. A large proportion of this business was booked for 1942 delivery. This department produces material vital to the railways.

MORE CASH FOR THE WEST . . . .

Canada's new wheat programme will put an additional $125,000,000 into the pockets of the prairie farmer.

Are you planning to share this increased purchasing power?

Right now, rural Canada, East and West, is busier, more important and wealthier than for many a year. . . . it will reward hard-hitting sales efforts.

Why not investigate the tremendous sales possibilities in the farm market NOW! Remember you can cover the largest portion of it through ONE publication, the Family Herald and Weekly Star . . . Every week the Family Herald reaches more than 300,000 farm homes right across Canada — a circulation representing 1,250,000 readers!

Family Herald and Weekly Star
CANADA'S NATIONAL FARM MAGAZINE
MONTREAL CANADA

Investment Securities

McLEOD, YOUNG, WEIR & CO.
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Metropolitan Building, Toronto
Telephone: Elgin 0161
Offices at Toronto, Montreal, Ottawa, Hamilton, London.
Correspondents in New York and London, England.

On the Record

Copper, zinc and all other non-ferrous metals for the extension of gas, water sewage, or power services can be used only by permit except in the case of installation for federal government buildings and plants or the armed services; necessary emergency repairs; essential electric installations calling for less than 500 feet of wire. (M. & S. No. 742).

J. Edouard Simard, vice-president, Sorel Industries Ltd., appointed Chairman of the Control Committee of this company. (M. & S. No. 740).

Virgin Zinc sales are prohibited, except by permit of the Metals Controller. In peacetime 40 million pounds, more than half the nation's total consumption of zinc, are used for galvanizing. (M. & S. No. 741).

Synthetic rubber will be produced in Canada by a government-owned company called Polymer Corporation Ltd. Col. A. L. Bishop will be president. (M. & S. No. 745).

Virgin copper sales are prohibited except by permit. In peacetime the electrical industry of Canada used some 70 million pounds of copper a year. (M & S. No. 744).

New motor vehicles will cost all customers the same price, apart from freight charges, for any given model of any given make after March 16, according to the Motor Vehicle Controller. (M. & S. No. 747).

1,506,401 subscribers subscribed $979,217,100 to the Second Victory Loan.

Civilian trucks of any kind will not be manufactured after March 14, except by permit. (M. & S. No. 748).

Dr. J. R. Petrie, professor of economics, University of New Brunswick and secretary of the New Brunswick Advisory Board, appointed Liaison Officer of the Industry and Sub-Contract Co-ordination Branch of the Dept. of M. & S. (M. & S. No. 749).

82,700 men and women were trained under Canada's War Emergency Training programme from April 1, 1940 to Dec. 31, 1941. Of this number 16,200 were trained for the Army and Navy; 14,000 for the Air Force and 52,500 for industry.

$5,500 is daily maintenance cost for 1,000 soldiers in Canada; $7,100 daily for 1,000 soldiers overseas.

$20,886,000 in motorized equipment was exported in February to nations at war with the Axis.

Total exports for February were $166,519,000, $67 millions more than Feb., 1940.

850,000 new wage earners have been added to the pay-rolls since the beginning of the war.

Treasury Bills

Moderately higher cost was experienced in the latest sale of Dominion Treasury bills. For $45 millions the issue was sold at an average price of 99.86263 for an average cost basis of 0.552%. This compares with a cost of 0.547% in the last previous sale. The present issue is dated March 13 and will mature June 12, 1942.

A Friendly Tip to Clamorous Clarissa...

POOR CLARISSA! If only the Boss would install a new *Silent* L C SMITH.

What a machine! Its easy action and effortless speed reduce end-of-day fatigue. New typing aids step up office efficiency : : : help get out the work faster, easier and quieter!

Phone any L C SMITH branch or dealer for free demonstration. See for yourself how the new Automatic Margin Set, Floating Shift, Improved Tabulator and other features can make your secretaries more valuable to your business.

L C SMITH Office Typewriters and CORONA Portable Typewriters are made in Canada by L C Smith & Corona Typewriters of Canada Ltd., Toronto.

Super-Speed **L C SMITH**

. . . brings new freedom to secretaries

The dilemma of C. Edward Lasher

PITY THE PLIGHT OF C. Edward Lasher. His discomfort is the result of having said to himself: "I won't ask an agent to help me plan my life insurance program. I'll do it myself!"

What steps would he have to take . . . what knowledge must he acquire in order to give himself the service and advice he would ordinarily get from an agent?

▶First, of course, it is necessary to consider his needs . . . determine how each of these needs, such as family protection, education of children, debt retirement, and so on, can best be met by life insurance. He could do this by analyzing, just as an agent would, how life insurance has met similar problems in thousands of other cases.

Then, he must study the various kinds of life insurance to see which are best suited to his personal and family requirements. He would learn that there are three basic types of life insurance—Whole Life, Endowment, and Term, each with features especially fitting it for certain purposes, and each more or less interchangeable with the others. He would learn that within these three basic types there are many different kinds of policies, each designed to help meet some specific situation.

▶Which can contribute most to his family's security? Which will best meet his children's educational needs? Which will build him an adequate retirement income? How much is necessary? Maybe, by using the optional modes of settlement available under the various forms of life insurance, one particular policy answers all his problems.

So, he would want to study these methods of settlement. Also, before determining costs, it is necessary to find out the class of risk in which his occupation places him. He should study the various methods of premium payment to learn how he could most conveniently keep his life insurance in force.

▶If Mr. Lasher did all these things, he might arrive, at length, at some answer to his personal problem. We think that the deeper he delved, the more likely he would be to seek some expert guidance as to the kind and amount of life insurance he should have . . . *advice which requires the knowledge and experience of a trained life insurance agent.*

This is Number 47 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements in this series will be mailed upon request.

Metropolitan Life Insurance Company
(A MUTUAL COMPANY)
NEW YORK
Frederick H. Ecker, CHAIRMAN OF THE BOARD
Leroy A. Lincoln, PRESIDENT
CANADIAN HEAD OFFICE, OTTAWA

Life Insurance Contest — Honorable Mention Problem 3

For the Senior Executive

Insurance to Give Adequate Income for the Family

The Financial Post publishes herewith one of the articles, that won honorable mention in problem three of its recent insurance contest. The individual for whom an insurance programme was requested was outlined as: "A man who owns his own business, or is senior executive in a business in which he has a substantial stock interest. Total income between $10,000 and $25,000. Age 40 to 50. Investment in his own business $50,000 to $100,000. Has other investments of $10,000 to $25,000. Married; has two children, both in 'teens."

A. C. DAND

The writer A. C. Dand was born at New Glasgow, N.S. 45 years ago and was educated there and at St. Andrew's College, Toronto. In 1916 he joined the staff of the Bank of Nova Scotia. In the spring of 1918 he joined the Royal Air Force. Returning to Canada, he rejoined the staff of the Bank of Nova Scotia. In 1928 he joined the Travelers Insurance Co. at Toronto and has been a steady producer. He is president of the Maritime Provinces Association of Ontario. He describes himself as a "dub" golfer and is fond of fishing.

By A. C. DAND, C.L.U.
Travelers Insurance Co. at Toronto

Here is the picture of our prospect:

John J. Doe, aged 45, president XYZ Sales Co.; his wife aged 43, his son, 15 and his daughter 13.

His financial position:

$60,000 in his own company, 10% dividend yielding $6,000.

$15,000 other investments, 4% dividend, yielding $600.

Salary, $14,000.

Total Income $20,600

Has total life insurance now in force, $90,000.

Mortgage on $20,000 home bought in 1932, $10,000.

When I asked him what was the minimum his wife and children could get along with, he thought, with the $10,000 mortgage on the home retired, his family would be fairly comfortable on about $725 a month for the next 10 years. "This," Mr. Doe stated, "is inclusive of the income tax Mrs. Doe would need to pay and will see my children through university and equipped for business or a profession." He suggested $350 a month as the life insurance he would like to see Mrs. Doe have. He showed me his will and gave me a list of his insurance which was as follows:

Present Life Insurance

No.	Year Bought	Age	Amount	Kind of Policy	Premium	Reason for Buying
1	1919	23	$ 5,000	20 Payment Life	$ 108.80	For mother (Policy now paid up)
2	1922	26	10,000	20 Payment Life	229.30	Protection for Mrs. Doe
3	1926	30	10,000	Ordinary Life	197.20	Education for Son
4	1928	32	5,000	20 Payment Life	144.95	Education for Daughter
5	1930	34	25,000	Ins. & Survivor .... Annuity after age 60	1,049.75	Protection for Wife & Survivor Pension
6	1932	36	10,000	Ordinary Life	203.70	Mortgage on Home
7	1934	38	15,000	Ins. & Survivor .... Annuity after age 65	587.70	Protection for Wife & Survivor Pension
8	1936	40	5,000	Ordinary Life	128.80	Clean up fund
9	1938	42	5,000	23 Payment Life	171.25	Succession duties
			$90,000		$2,821.45	
				Less premium	108.80	Fully paid up
				Current premiums ..	$2,712.65	

Disposition of Proceeds

Mother now age 70. This policy provides $50 per month for 10 years.
Mrs. Doe now age 43. Policy provides $40 per month for her lifetime.
Son age 15. Educational policy provides $100 per month for 10 years.
Daughter age 13. Educational policy provides $50 per month for 10 years.
Mrs. Doe age 43. Policy provides $100 per month for her lifetime.
Lump sum settlement to pay off mortgage on home. Leaving $20,000 home clear.
Mrs. Doe age 43. Policy provides $60 per month for her lifetime.
Intended as clean up fund. Certainly not sufficient for today's needs.
Intended for succession duties. Totally inadequate for present requirements.

Already Provided

Keeping in mind that Mr. Doe wanted his family to have $725 a month over the next 10 years with Mrs. Doe to have a life income of $300 to $350 a month it appeared that from some of his present life insurance along with the income to be produced by his other liquid assets the major part of his requirements is provided as follows:

Policy	Monthly For 10 years	For Life
No. 2 Mrs. Doe ..	$ 40	$ 40
No. 3 John	100	
No. 4 Mary	50	
No. 5 Mrs. Doe ..	100	100
No. 7. Mrs. Doe ..	60	60
	$350	$200

I then outlined for Mr. Doe the following programme:

From your other assets there would be approximately $71,500 which, invested at 3%, would produce an additional $178 a month, bringing the family's income up to $528 a month. This leaves an apparent shortage of $200 a month required for immediate needs. However, Mrs. Doe's life income of $350 per month is taken care of by the $200 per month from life insurance, plus $160 per month income from $64,000 invested at 3%. You have stated you want to leave cash bequests of $4,000 and $3,500 to John and Mary respectively, earmarked for their 25th birthdays. This accounts for the $7,500 balance.

For Emergencies

In your will you have provided for Mrs. Doe to draw up to $1,000 from invested capital in any year for a limit of 20 years, this will mostly likely take care of any serious emergency arising, such as an illness or an operation or possibly special or unexpected travel. This gradual depletion will eventually bring Mrs. Doe's income to about $300 per month, but from then on this income will be maintained.

You mentioned the $10,000 mortgage on your home. This can be retired from the proceeds of Policy No. 6, thus relieving your wife of many details and worries in that connection.

Your Policy No. 8 for $5,000 taken in 1936 is earmarked for a clean up fund. Around that time it might have been sufficient but will hardly do in these times. It is difficult to know exactly how much would be needed, but we do need to make allowances for last illness—it may be a long or short time, but very often it is costly. Then there are other last expenses—a few bills perhaps, a large balance owing for income taxes, surrogate court and probate fees. To pay all of these, in your case, I have estimated $11,000 will be necessary. Accordingly Policy No. 9 would be required as well as $1,000 from your investments to pay these obligations.

Your Policy No. 1 is payable to your mother and you have already told me you do not wish to make any change in this during her lifetime. At present this is arranged on the basis of $50 per month for 10 years.

This accounts for all your policies and their dispositions interlocked with your liquid assets, with the exception of your gifts to your church, Red Cross and the hospital. As you know, these total $2,500 and would come from your investments.

Taxes Due

Your will now provides that all these bequests and gifts be made after payment of debts, reasonable funeral expenses, surrogate court and probate fees, as well as all succession duties. Yet there is nothing left in your estate for this latter item and it is a large one. In fact I have checked on this carefully and know that $12,525 will become due to the Province of Ontario and $12,403 to the Dominion of Canada. This makes a total of $24,928 required for this purpose.

These taxes are payable to the province and the Dominion within six months of death. If it is left for your heirs to pay these duties from their inheritance it would materially upset your intentions inasmuch as the monthly income of $725 for your family, which you say is the minimum, would be reduced. Also the discretionary powers with the trust company where you have granted Mrs. Doe to draw $1,000 per year in emergency would need to be eliminated.

Apparent Shortage

Previously I pointed out that there is now an apparent shortage of $200 monthly income for ten years to meet minimum requirements. To take care of this first need my recommendation is that we arrange for $20,400 additional insurance on the low cost term basis at $22.93 per $1,000, which would mean an additional outlay of $467 annually. This policy will then provide the $200 per month for 10 years.

For your second need—succession duties. I gathered from our previous conversation that you do wish to make the necessary arrangements to maintain adequate requirements for your family. Thus, by creating and leaving the funds necessary for succession duties, including allowance for the aforementioned $20,400 new insurance, you will need to set up somewhat more than $24,928, in fact you will require approximately $32,000 additional money to assure the complete execution of your will and to meet your expressed wishes. The only answer for this is a life insurance policy for $32,000 and I recommend the ordinary life plan which, at your age, is available for $29.85 per $1,000, or $955.20 for $32,000.

Additional Outlay

These two new plans to round out your estate will mean an additional annual outlay of $1,422.

Sale of one of your cars now would provide most of the funds necessary to make this insurance effective immediately. If you cannot curtail your personal expenses sufficiently during the next few years, in order to maintain your insurance both old and new, it would undoubtedly be better to use some of your capital for this purpose.

You have admitted that your $15,000 investments have shrunken considerably, while on the other hand, the premiums on all your life policies, except this new $20,400 term, have been showing a steadily increasing cash asset over the years and they will continue to do so. Therefore, if you do find it necessary to use some of your capital, it will likely be for a few years only. Then, with the war over, income taxes lessened, and John and Mary through university, you will have relatively reduced expenses. In fact, by then you will probably feel inclined to present them with the cash values in their policies, and by the same act you will be reducing your premium outlay $340 annually. There will still be a few years left in which to rebuild all or most of the shrinkage in capital.

A Good Programme

In all, you have a good insurance programme. Your $10,000 policy for Mrs. Doe, purchased when you were married, becomes paid up next year and this will mean a saving of $229 in your budget which you may not have taken into consideration.

So far I have dealt chiefly with the benefits and provisions for your family. However, I have not lost sight of the fact that although much can happen, you are in the picture too. Your policies Nos. 5 and 7 provide a survivorship annuity of $2,500 annually from your age 60, and $150 per month or $1,800 annually from age 65 respectively. This, with income from investments together with the income from a reduced amount invested in your own company, will provide a comfortable income for you and Mrs. Doe to enjoy your later years.

Interest in Company

With your accumulated experience over the years, you will not wish to entirely relinquish your interest in the company you have helped to build, but will probably wish to help guide its destiny as chairman of the board.

Note, I have mentioned previously liquid assets. In these I have included the $60,000 you now have invested in your own firm. Then just recently I referred to a reduced amount thus invested. This investment is valuable to you only so long as you are able to carry on as president. Your knowledge, experience, contacts, personality and energy contribute to help make this a valuable investment for you while you live. But what will happen when you are gone? Is there a ready market for your stock?

If you were compelled to seek a market for your stock today where would you look? Naturally your business associates will be your most likely source. You have told me that four of your executives now have $40,000 stock in your company. It is quite evident, therefore, that if a plan could be worked out whereby they could take over your share of the company stock, it would certainly be to their advantage as well as to yours. In fact this brings us to the third important step in properly protecting your entire assets.

Actual Value

Having previously obtained your approval, I called on the estates officer at the trust company with whom you have arranged for the administration of your estate. As you know, it is through this medium, your liquid assets, other than the monthly income from your life insurance, and your fixed assets, that final dispositions will be made. I consulted him on the actual value of your $60,000 stock in your company. After some consideration we concluded it would still have similar value for your associates. This estates officer, knowing you and appreciating your ability and connections, felt that any higher valuation would hardly be possible. We both concurred in the thought that outside buyers would offer somewhat less, depending, of course, on the times and business conditions.

Co-operation of Associates

However, with the co-operation of your associates, provision can be made whereby they could purchase this stock on your demise, or purchase at least part of it when you are 60 or 65 and ready to take life easier. For this it is necessary that an agreement between yourself and the four others be drawn up, appointing the trust company as referee. In this you agree to sell your holdings and they agree to buy them. With the trust company acting impartially for either party it will eliminate any misunderstanding; the basis of appraisal of values and all other matters will be dealt with equitably and fairly. Such an agreement will cover many points but will protect the interest of each party.

Again you say "Where will these fellows get the money when they do need it? They certainly wouldn't be able to borrow enough." Since life insurance provide money immediately for an expected situation at an unexpected time, it is the most appropriate solution. Through the purchase of a plan of insurance on your life, paid for by the younger men who have been with you for the past 10 or 15 years, cash will be at their disposal on the day it is needed—if you are removed from the picture, or later when you wish to sell part or all of your interest.

As you weigh these facts I know you will be in accord with the suggestion, as I realize it was one important matter which caused you some concern.

You will, I believe, want to talk this over with your associates. After preliminary discussions, I would suggest a meeting be arranged with the estates officer from the trust company in attendance and I would gladly be there if you wish, as there will likely be some questions regarding the insurance in relation to the agreement.

Programme Accepted

Before many days elapsed we completed the arrangements and effected the $20,400 plus $32,000 insurance to bring his estate up to the minimum requirements set by himself. By this time he had disposed of one automobile and thus provided most of the money needed to make this new insurance effective.

A short time later the business agreement was completed to cover the various points and possibilities in this case. In support of this, $60,000 insurance on his life was purchased by his associates in four equal shares of $15,000 each. To keep down the costs for a few years it was written on the basis of $5,000 ordinary life and $10,000 term insurance, the total premium on each $15,000 being $378.55 annually. As the term is convertible later, this protection will bridge the gap until such time as living costs revert to a more normal states.

When I saw Mr. Doe later he seemed quite pleased with the entire arrangement and admitted he had a considerable load off his mind. His associates, too, seemed to have a new interst in life and a better understanding of their responsibilities, as well as a keener anticipation of their future.

Is Your Fire Policy Still Okay?

War Conditions, Shortages, Etc. May Change Needs

An increase in the insured fire losses in Canada in 1941 over 1940 and an estimated current upward trend are regarded as indicating the need for everyone reviewing his fire insurance position to see he is adequately covered.

Three important factors are noted as having a special bearing on the matter under present war conditions. These are:

Higher replacement values of buildings and materials.

Difficulty of obtaining certain types of goods and impossibility in finding others.

Increased cost of labor and difficulty in getting work done.

Affects All Property-Owners

These factors all affect householder, merchant and manufacturer alike. They must be considered by all owners or occupants of property, not only on account of the actual loss of property destroyed but because of the loss of revenue that may be entailed. Even a fire of small proportions may cause serious inconvenience because of the difficulty in getting materials or getting work done.

Take for example the householder. An insurance expert just before the price ceiling was imposed estimated that the price of building, including houses, had increased during the previous year by about 25%. This is an important factor for the property owner to consider. On top of the higher price however is the difficulty in getting various materials used in constructing a modern house. Then there is the cost of labor and the probability the type of labor you want will not be available when you need it.

There is also the question of furniture. Already shortages of different kinds of household equipment are being felt. Insurance will not replace these things if they are not available. But adequate indemnity will enable the householder to find substitutes of one kind or another.

Merchant or Manufacturer

In the case of the merchant or manufacturers the position is even more serious.

Take the merchant who perhaps still has silk or rubber goods on his shelf or who has stocks of electrical equipment which cannot readily be replaced under present conditions. If a fire comes and these goods are destroyed he will be badly handicapped in giving the service to his customers that he wants. Trade may be lost, connections broken that may never be regained.

Then in the case of the manufacturer. One of the greatest bottlenecks of the war period has been the difficulty in getting machine tools. If these are made useless by fire, the manufacturer may have trouble not only replacing his building but in getting machinery to operate. On top of this would come the loss of raw material.

Use and Occupancy

Apart from these tangible losses, is the need of protecting revenues derived through rented property. This affects not only the owner of the property but the tenant whose operations may be interrupted or possibly ended for the duration of the war. Coverage of this kind is given by rents, insurance and use and occupancy forms.

In wartime, not only has the actual loss at the time to be considered but also the possibility that shortages of goods and materials may make it necessary for the individual who has a fire to alter his whole personal or business programme.

Fire Insurance Premium Gross Higher But Loss Ratio Down

Fire insurance premiums written in Canada in 1941 totalled $50.7 millions after deducting registered reinsurance according to preliminary figures issued by the Dominion Superintendent of Insurance. Increases were shown by all three groups—Canadian, British and foreign companies.

Insured fire losses incurred, less registered reinsurance, increased from $15.9 millions to $18.3 millions, the average ratio of losses to premiums written being 36.18% for 1941 compared with 37.25% in 1940.

British companies showed the lowest loss ratio in the three groups at 34.69%, the loss ratio of the Canadian companies being 36.51% and that for the foreign companies 37.30%.

Among the provinces, Saskatchewan had the lowest loss ratio at 20.14% Prince Edward Island had the highest at 73.65%. Other loss ratios by provinces were Alberta 51.79; Manitoba, 29.50; New Brunswick, 66.95; Nova Scotia, 42.84; Ontario, 30.87; Quebec, 43.09.

Statistics of premiums and losses published follow:

	1941 $	1940 $
Total net prem. writ.	50,712,446	42,893,383
Canadian co's.	13,071,190	10,960,296
British co's.	17,905,099	15,350,818
Foreign co's.	19,736,157	16,582,270
Net losses incurred ...	18,345,323	15,972,272
	%	%
Loss ratio total	36.18	37.25
Canadian co's.	36.51	36.29
British co's.	34.69	35.75
Foreign co's.	37.30	39.05

Car Insurance Loss Ratio 49%

Net premiums written for automobile insurance of all classes in Canada in 1941 totalled $23,464,792, an increase of $2,558,904 or 10.91% over 1940, according to the preliminary figures issued from the Dominion Department of Insurance.

Losses incurred were $11,497,750 compared with $10,408,265 in 1940. The loss ratio was 49% of premiums written, compared with 49.84% in 1940.

McGregor Heads Can. & Dominion

W. J. McGregor has been elected president of Canada & Dominion Sugar Co., succeeding the late C. H. Houson. Mr. McGregor will continue to hold the office of treasurer.

Howard F. Smith has been elected to the position of executive vice-president while H. R. Drummond continues as vice-president. C. J. Coyle has been added to the board of directors and appointed as vice-president in charge of Montreal operations. R. A. Eamer is secretary and assistant treasurer, and W. H. Punchard, assistant secretary.

Company Reports

Wawanesa Mutual

Highlights of the annual report of the Wawanesa Mutual Insurance Co. for 1941 are:

An increase of $416,390 in total assets.

A higher underwriting gain.

Surplus up $221,292.

Total assets at the close of the year were $3.3 millions, campared with $2.8 millions at the end of 1940. The amount on deposit with the Dominion Government was over $1.3 millions. Surplus of $1.7 millions compared with $1.5 millions in the previous year.

As a result of the death of Major Howell Smith, eastern manager, last September, C. M. Vanstone, managing director, has taken charge at Toronto leaving the supervision at the head office in the hands of the assistant manager, H. E. Hammons.

	1941 $	1940 $
Total assets	3,310,837	2,894,436
Cash	585,186	592,634
Bonds	1,849,239	1,567,515
Stocks	370,882	257,264
Underwriting gain ...	186,395	151,868
Surplus	1,735,148	1,513,855

"MY NATIONAL LIFE POLICY IS A BACKLOG OF FINANCIAL STABILITY"

Mr. Thomas C. Clarke
Prominent Vancouver Business man, District Manager of the Northern Electric Co. National Life Policy holder for 17 years.

—says Thomas C. Clarke; "I believe the building and development of a life insurance estate to be one of the most necessary parts of our life's work—not only to establish security for our families, but also for ourselves. It is a backlog of financial stability to see us through in times of stress and emergency.

With confidence and good faith Life Insurance has met all its obligations and promises and has become a mainstay in our democracy."

The National Life Assurance Company of Canada
Home Office Toronto
Established 1897

STOLEN TIRES
CANNOT BE REPLACED
DAMAGED TIRES
MUST BE REPAIRED
Insurance merely reimburses actual cash value of loss
THE GENERAL ACCIDENT GROUP
357 BAY ST. TORONTO

Abundant Protection
Policyholders in the Norwich Union have the comforting assurance that no matter what disaster may happen, this Society, fortified by one hundred and forty-five years of success is amply qualified to meet all and every obligation.
NORWICH UNION
FIRE INSURANCE SOCIETY, LTD.
FOUNDED IN ENGLAND IN 1797
Head Office for Canada, 12 Wellington St. E., Toronto.

The Wawanesa Mutual Insurance Company
"CANADA'S LARGEST FIRE MUTUAL".
FIRE (Rural and Urban) — WINDSTORM — AUTOMOBILE
CASUALTY — PLATE GLASS — SPRINKLER LEAKAGE, Etc.
BALANCE SHEET, DECEMBER 31, 1941

ASSETS			LIABILITIES	
Cash on Hand		$ 585,186.82	Provision for Unpaid Claims ..	$ 228,746.36
Bonds at Book Value	$1,849,239.05		Reserve of Unearned Premiums	1,134,952.79
Stocks at Book Value	370,882.45		Taxes due and accrued	71,835.47
Guaranteed Investment Receipts	55,000.00		Reinsurance Premiums	10,994.01
Mortgage Loans	83,458.78		Staff Pension Fund	18,360.97
Agreements for Sale	5,525.37		Reserve and Unpaid Losses under Unlicensed Reinsurance ..	39,375.91
		2,364,105.65	Expenses due and accrued	13,737.57
Real Estate		102,956.31	Investment Reserve	57,685.49
Interest and Dividends due and accrued		32,562.93		
Agents' Balances		155,888.83		
Premiums due Note Policies (not over sixty days)		23,534.70		
Balances due from Reinsurance Companies		5,102.90		
Accounts Receivable		7,633.90		
Sundry Investment		33,865.00	SURPLUS	1,735,148.47
		$3,310,837.04		$3,310,837.04

Unassessed Western Canada Premium Notes $1,104,514.38
Dominion Government Deposit 1,316,633.50

I certify that the above Balance Sheet is drawn up in accordance with the books and records of the Company as at December 31, 1941, and that I have obtained all the information and explanations required as auditor.

REGINA, February 9, 1942. E. S. BIGGS, C.A.

C. M. VANSTONE, Managing Director and Secretary.
F. B. MacARTHUR, Treasurer.

Admitted Assets ...... $3,310,837.04 — 1941 Increase		$416,390.34
Surplus .... 1,735,148.47 — 1941 Increase		221,292.82
Increase in Dominion Government Deposit since Dec. 31, 1940		275,279.64
Underwriting Gain in 1941		186,395.17

2,000 Friendly Agents From Atlantic to Pacific
Head Office: WAWANESA, Manitoba.
Eastern Office: TORONTO, Ontario.
Branches at:
MONCTON - MONTREAL - WINNIPEG - SASKATOON - EDMONTON - VANCOUVER
— OVER 150,000 MEMBERS ACROSS CANADA —

Motor Accidents are a Luxury
Only a very rich man can afford to subject his car, home, savings—in fact his whole way of living to the financial hazards of driving an uninsured automobile. To the average motorist a serious accident is a calamity which may sweep away in a moment savings and property which have taken years to accumulate. The cost of Automobile Insurance is trifling compared to such a catastrophe. So play safe—insure before you drive.
An Automobile Insurance policy with the Wellington assures you of sound, economical protection, plus expert and courteous service whenever or wherever an accident may occur. We will be glad to serve you through the medium of your own Insurance Agent.
WELLINGTON FIRE INSURANCE COMPANY
Head Office, Insurance Exchange Bldg.
14-24 Toronto Street, Toronto.

FIDELITY
Insurance Company of Canada
TORONTO

'DOMINION' Envelopes
OF EVERY DESCRIPTION
DOMINION ENVELOPE CO. LTD.
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PHONE EL7271
BRANCHES
MONTREAL WINNIPEG

Automobile and General Casualty Insurance
AGENCY INQUIRIES INVITED
LUMBERMENS MUTUAL Casualty Company
CONCOURSE BUILDING
TORONTO

Bank Investment Ratio Grows

Continue To Outstrip Growth In Current Loans

What effect is the war having on the channels in which the chartered banks employ their funds?

Services such as cashing cheques, transferring money and collecting accounts have come to be an increasing source of bank revenue, but the bulk of their income has been derived from employing the money at their disposal in either loans or investments. Of the two, loans in what are considered normal years, have been the more important. Next to their function as the custodian of the depositors' funds, has ranked the supplying of credit for the business of the country. Their investment functions, while assuming much importance in recent years, are regarded as secondary.

Main types of loans are current or commercial loans, call loans and loans to municipalities or the provinces. Current loans are those made to businessmen, merchants, manufacturers, farmers, grain dealers, etc. Call loans are made to stock brokers and others for speculative purposes. Provincial and municipal loans are those made to the respective governing bodies.

Of the four classes current or commercial loans are usually the most important absorbing a substantial part of the loanable funds of the banks and bringing in a fair rate of interest subject, of course, to conditions in the loan markets and the government regulations setting a maximum charge of 7% per annum.

Take the year 1927 as a normal pre-depression period. On Jan. 1 that year current loans accounted for 33.3% of total assets investments took 17.1%. But in succeeding years following the depression the demand for loans fell away. Business was quiet and the demand for credit of a character the banks cared to accept was small.

Only suitable outlet for the accumulating idle funds was in investments. By Jan. 1, 1939, current loans had fallen to 23.3% of total assets while investments had risen to 42.8%.

Outbreak of War

With the outbreak of war and the speeding up of business and industry, it was believed the demand for bank loans would increase sharply and that loans might again become the big factor. This has not occurred owing to the fact that the government is financing much of the war industry directly, while many large firms in Canada have been able to finance their operations from their own funds. According to the chartered bank return to the Minister of Finance as at Jan. 31, while current loans had risen to 25.6% of total assets, investments had risen to 46.6%.

Because the larger part of these are short term issues, the rate of interest derived from them has been relatively low compared with the normal rate for current loans.

Regarded as Temporary

Although the trend for the employment of bank funds for the past eight or nine years has been away from current loans toward investments, many bankers do not care to regard it as permanent. They claim that conditions since the depression have been abnormal and that once the war is over and the world gets back on an even keel the demand for loans will again be the big factor in bank revenues.

Govt. Deposits Rise Sharply

Bank of Canada Statement Reflects Preparation for Repatriation Operation

Preparations by the Dominion Government to repatriate the remaining Dominion and Canadian National Railway bonds held in the United Kingdom is reflected in the statement of the Bank of Canada for the week ended March 11.

This showed an increase of about $217 millions in the deposits of the Dominion Government with the Bank of Canada. This was money derived from the second Victory loan and transferred by the government from the chartered banks to the Bank of Canada. To prevent the transfer of these funds from depleting the cash reserves of the chartered banks, the Bank of Canada bought from them about $175 millions of short term securities.

According to an official statement, these were securities which the Bank of Canada had sold to the chartered banks in recent months to prevent an undue increase in their cash reserves resulting from the Bank of Canada's temporary financing of sterling accumulated by the Foreign Exchange Control Board. The statement continued, it will be noted that the Bank of Canada's security holdings are somewhat lower than they were on Dec. 31 last in both the 'short term' and the 'other' category.

The repatriation operation is expected to take place later this month. When it does occur, a drop in the bank's holdings of sterling probably will be seen, as the accumulated holdings of sterling will be used wholly or in part to buy back the Canadian bonds now held in Great Britain.

The statement of the Bank of Canada also showed advances of $1 million to chartered and savings banks. It is believed this money advanced to one of the chartered banks or, the Quebec savings banks, in connection with the Victory loan.

	Mar. 11 1942 $	Mar. 4 1942 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	500,897,324	496,863,003
Rest fund	5,585,705	5,585,705
Depos.: Dominion	291,182,457	73,970,168
Banks	231,548,316	242,467,299
Other	7,707,337	12,315,200
Total deposits	530,438,110	328,752,667
All other liabs	7,382,614	9,174,070
Total liabs.	1,049,303,753	845,375,445
Assets		
In sterling & U. S.	420,851,350	392,593,850
Subsid. coin	383,519	393,224
Advances	1,000,000	......
Investments:		
Dom. gov. short	384,522,444	209,522,249
Other Dom. gov.	211,110,732	207,088,778
Total invest.	595,633,176	416,611,027
Premises	1,774,040	1,770,318
All other assets	29,661,668	34,007,026
Total assets	1,049,303,753	845,375,445

Company Reports

Quebec Telephone

Operations of Quebec Telephone & Power Corp. in 1941 resulted in a net profit of $21,719 compared with $19,245 the year before.

At the year end, 4,514 stations were reported connected, an increase of 10.4% over the preceding year.

Balance sheet shows a moderate increase in working capital. There were no major changes among the balance sheet items.

Cons. Income & Surplus Account Years Ended Dec. 31

	1941 $	1940 $
Operating revenues	221,989	196,148
Add: Other revenue	9,074	8,116
Gross income	231,063	204,264
Less: Oper. exps.	144,151	120,102
Bond interest	18,250	18,548
Bond disc. amort.	2,576	2,602
Depreciation	44,367	43,767
Surplus for year	21,719	19,245
Add: Prev. surplus	5,845	*6,105
Less: Adjustments	8,817	7,295
Surplus forward	18,747	5,845
Earned: Class A	$0.60	$0.53
Working Capital	$	$
Current assets	51,054	68,585
Current liabilities	31,864	46,422
Working capital	19,190	22,163

Moirs Ltd.

Moirs Ltd. of Halifax reports moderate improvement in earning power. Net revenue in 1941 totalled $270,022 as against $223,480 the year before. After all charges, earnings on the preferred stock amounted to $7.09 and on the common stock 69 cents a share. This contrasted with $5.42 and a deficit of 37 cents a share, respectively, the year before.

Income and Surplus Account Years Ended Dec. 31

	1941 $	1940 $
Net revenue	270,022	223,480
Less: Bond interest	44,477	45,000
Depreciation	89,415	101,691
Tax provision	66,972	24,000
Net profit	69,158	52,789
Add: Prev. surplus	52,789	......
Surplus forward	121,947	52,789
Earned on Preferred	$7.09	$5.42
Earned on Common	$0.69	*$0.37

*Deficit.

Working Capital	$	$
Current assets	1,518,428	1,409,748
Current liabilities	772,540	758,371
Working capital	745,888	651,377

Balance Sheet Changes

	1941 $	1940 $
Accts. receivable	814,789	783,305
Inventory	681,763	614,708
Bank loan	468,000	577,000
Trade creditors	139,041	76,111
Bonded debt	739,400	750,000

Weekly Bank Clearings

	Mar. 12 1942 $	Change Year Ago %	Mar. 5 1942 $
Halifax	4,647,287	+54.3	4,595,112
Saint John	2,276,611	+12.5	2,936,451
Moncton	859,617	+22.8	1,296,455
Sherbrooke	991,545	+16.3	1,098,019
Quebec	5,697,463	+42.5	6,234,309
Montreal	107,022,855	+18.4	158,874,449
Ottawa	168,015,873	+257.3	118,830,139
Kingston	711,614	+15.8	778,451
Peterborough	670,182	+27.5	828,462
Toronto	118,292,083	+26.8	182,638,030
Hamilton	5,798,191	+18.0	8,242,621
Kitchener	1,126,522	+18.1	1,468,161
Brantford	1,049,919	+19.8	1,227,306
London	2,706,697	+21.8	4,591,486
Chatham	678,712	+23.1	811,580
Windsor	3,706,468	+5.6	4,224,650
Sarnia	400,878	+2.4	562,226
Sudbury	1,122,165	+11.3	873,986
St. Catharines	1,056,742	...	1,481,663
Fort William	1,077,695	+54.5	1,117,188
Winnipeg	37,378,462	—3.9	52,028,120
Brandon	382,140	+49.3	481,809
Regina	3,883,008	+27.6	5,112,626
Moose Jaw	685,393	+42.2	628,366
Saskatoon	1,404,742	+17.3	1,722,437
Prince Albert	452,037	+42.4	496,985
Edmonton	5,271,747	+35.2	6,779,023
Calgary	6,089,346	+15.0	6,824,644
Lethbridge	496,326	+12.7	572,051
Medicine Hat	312,249	+36.7	283,214
N. W'minster	835,459	+9.7	937,987
Vancouver	17,262,401	—0.9	23,728,169
Victoria	1,697,033	+1.0	2,[illegible],210

Bank Chat

Bank Gives Service Flags

What appears to be an unique method of building goodwill has been devised by the First National Bank of Palm Beach which is offering a service flag to all families resident in Palm Beach who have sons serving in the armed forces of the United States.

The service flag is made of silk having a bright red border and white background, in the centre of which is a blue star. Flags with two and three stars are available for families with two or three sons in the services, army, navy, marines or other branches of the armed forces of the country. Flags not only are available to those in service now but will be available for those who may be called to service at later times.

* * *

Silver Dollar Schemes Again

The suggestion is frequently made that the Canadian Government could help finance the war by minting silver dollars. As these cost only about 27 cents to produce including metal, it is argued the government would make a profit of about 73 cents on each one issued.

One supporter of the plan recently argued that as silver dollars issued in Canada a few years ago are seldom seen now, a further issue would be readily absorbed.

The suggestion that the government could make money by minting silver dollars in quantity was discussed freely before the Banking and Commerce Committee of the House of Commons some years ago.

At that time it was shown that if cost were a consideration in the issue of money, paper dollars cost far less than silver and therefore would be more profitable to issue.

It was also shown by authorities that all artificial increases in the volume of money in a country whether silver or paper, not called for by the volume of business, tended to dilute the purchasing power of the currency and would lead to inflation.

With regard to the fact that one seldom sees silver dollars of the issues made a few years ago, the answer is that nobody wants to carry a pocket full of heavy "cart-wheels" if he can get lighter types of currency such as Bank of Canada notes or chartered bank bills.

Many of the Canadian silver dollars issued in recent years were taken up by tourists as souvenirs. The rest of them are probably lying in the bank tills, bankers hoping they may be withdrawn for use in radio programmes and other similar purposes.

Staff Changes

The Bank of Nova Scotia announces the following staff changes:

W. A. McMULLEN to be accountant Danforth and Pape, Toronto.

P. H. MEEK to be accountant, Stratford, Ont.

W. H. PAYZANT to be accountant, Ossington and Dundas, Toronto.

W. W. STUMPF to be accountant, Swift Current, Sask.

* * *

The Bank of Toronto announces the following staff changes:

F. C. BURNET, formerly manager, Regina, to be manager Calgary.

S. B. CHAMBERLAIN, formerly manager, Calgary, to be manager, Winnipeg.

W. B. McCRIRICK, formerly manager Winnipeg, to be manager Vancouver.

E. W. LAMPREY, formerly manager Vancouver, to continue as superintendent of British Columbia branches.

CANADIAN CELANESE LIMITED

Annual Report for 1941

Directors' Report

To the Shareholders of Canadian Celanese Limited:

For your convenience the appended Balance Sheet and Earned Surplus Account and the Statement of Income and Expenditure are prepared in comparative form showing the position at December 31st in each of the years 1941 and 1940 and the results from operations during the years 1941 and 1940.

It will be noted that the net profit for 1941 amounted to $1,853,039.56 as compared with $1,341,429.08 for 1940.

Dominion, Provincial and Municipal taxes continued to increase with $2,068,797.96 provided or paid for 1941 as compared with $1,018,431.57 for 1940.

Dividends paid during the year amounted to $1,280,818.00, of which $520,818.00 (equal to $2.00 per share) was paid to the Common shareholders.

The booklet enclosed herewith entitled "CELANESE IN WAR" was prepared for its shareholders by Celanese Corporation of America. We believe that it aptly describes some of the uses of Celanese in the war effort, both here and in the United States, and should be of interest to our shareholders.

For the Board of Directors,
CAMILLE DREYFUS,
President.

February 26, 1942.

Comparative Balance Sheet as at December 31, 1941 and December 31, 1940

ASSETS

			1941	1940
CURRENT:				
Cash on hand and in Banks			$ 3,341,550.06	$ 1,721,774.38
Government Bonds and Other Securities, at cost (approximate market value 1941, $1,428,700.00; 1940, $2,143,700.00)			1,234,424.27	1,849,249.27
Trade Debtors, less Reserve			783,982.57	704,039.79
Other Accounts Receivable and Accrued Interest			16,178.35	15,265.88
Inventories of Raw Materials, Supplies, Work in Process and Finished Goods, as determined and certified by the Management and valued at cost			1,801,276.22	1,491,357.76
			7,177,411.47	5,781,687.08
DEFERRED AND PREPAID CHARGES:				
Unexpired Insurance and Taxes			27,754.92	19,445.62
Expenses applicable to future operations			15,301.87	16,793.85
Cost of Income Funding Rights purchased in anticipation of Sinking Fund requirements			64,334.44	55,953.24
			107,391.23	92,192.71
SECURITIES held for Investment valued at cost			195,574.39	195,574.39
FIXED:				
Real Estate, Plant, Machinery and Equipment, at cost			13,529,263.98	12,807,333.73
Patents and Trade Marks			1,004,879.49	995,903.45
SPECIAL FUND re Income Funding Rights, as per contra			367,200.00	367,200.00
Assets Held for Special Fund:	1941	1940		
Cash in Bank	....	$ 12.50		
Gov'ment Bonds at cost (market value 1941, $222,750.00; 1940, $229,600.00	$210,000.00	217,687.50		
Income Funding Rights, valued at $25.00 per Right — 1941, 6,288 Rights; 1940, 5,980 Rights	157,200.00	149,500.00		
	$367,200.00	$367,200.00		
			$22,381,720.56	$20,239,891.36

APPROVED ON BEHALF OF THE BOARD:
(Signed) Wm. McC. CAMERON........Director
(Signed) A. SCHWARTZ..............Director

LIABILITIES

			1941	1940
CURRENT:				
Accounts Payable and Accrued Liabilities			$ 312,215.38	$ 408,307.76
Provision for Taxes			* 1,879,392.29	826,312.79
Interest on Income Funding Rights			69,897.00	72,535.00
			2,261,504.67	1,307,155.55
RESERVES:				
For Depreciation of Buildings, Machinery and Equipment			4,084,847.94	3,602,559.38
For Amortization of Patents			420,877.36	353,885.40
Special Reserve			550,000.00	550,000.00
Inventory Reserve			66,000.00	....
			5,121,725.30	4,506,444.78
CAPITAL STOCK:				
Authorized— 150,000 shares 7% Cumulative Participating Preferred, par value $100.00 per share; 300,000 shares Common, without par value				
Issued and Outstanding—				
100,000 shares Preferred			10,000,000.00	10,000,000.00
260,409 shares Common			1,169,045.00	1,169,045.00
Income Funding Rights having the attributes set forth in Special By-Law "A":	1941 Rights	1940 Rights		
Issued under the Scheme of Arrangement of November 7, 1934	90,000	90,000		
Less: Purchased by the Company:				
Held in Special Fund, as per contra	6,288	5,980		
Held in anticipation of Sinking Fund requirements	2,913	2,684		
Delivered to Sinking Fund	10,902	8,801		
	69,897	72,535		
(Rights purchased by the Company cannot be reissued)				
Balance of Sinking Fund re Income Funding Rights set aside in accordance with the provisions of Clause 3 of Special By-Law "A"			1.00	23.00
SPECIAL FUND re Income Funding Rights, as per contra, set aside in accordance with the provisions of Clause 5 of Special By-Law "A"			367,200.00	367,200.00
SURPLUS ACCOUNTS:				
Distributable Surplus, set aside in 1936 in accordance with the provisions of subsection 7 of section 12 of The Companies Act, 1934			62,500.00	62,500.00
Earned Surplus, per Statement attached			3,399,744.59	2,827,523.03
			$22,381,720.56	$20,239,891.36

*No provision has been made for Provincial Profits tax for 1941.

This is the Balance Sheet referred to in our attached Report of even date.

(Signed) P. S. ROSS & SONS,
Chartered Accountants.

Montreal, February 16, 1942.

Comparative Statement of Income and Expenditure for the Two Years Ended December 31, 1941

	Year ended December 31 1941	1940
Net Operating Profit before taking up the items below	$ 4,418,736.19	$2,742,276.44
Income from Investments	110,637.34	110,006.91
Profit on Income Funding Rights purchased for Special Fund and for Sinking Fund	7,021.60	8,987.09
Profit or Loss* on Government Bonds sold	*1,200.00	8,550.00
	4,535,195.13	2,869,820.44
Remuneration of Executive Officers and Directors required to be shown separately under Section 113 (2) of The Companies Act	129,240.00	126,454.70
Fees of Directors not included above	5,960.00	5,960.00
Legal Fees	6,925.00	7,250.00
Depreciation of Plant, Machinery and Equipment	484,638.61	434,933.10
Amortization of Patents	66,991.96	66,393.56
Provision for Dominion Income Tax and Excess Profits Tax	1,800,000.00	765,000.00
Inventory Reserve	66,000.00	....
	2,559,755.57	1,405,991.36
Net Profit before providing for Interest and Sinking Fund re Income Funding Rights	1,975,439.56	1,463,829.08
Deduct:		
Interest on Income Funding Rights	69,897.00	72,535.00
Sinking Fund for Income Funding Rights	52,503.00	49,865.00
	122,400.00	122,400.00
Net Profit for year transferred to Comparative Statement of Earned Surplus	$ 1,853,039.56	$ 1,341,429.08

Comparative Statement of Earned Surplus For the Two Years Ended December 31, 1941

	Year ended December 31 1941	1940
Earned Surplus at beginning of year	$ 2,827,523.03	$ 2,844,134.36
Deduct:		
Prior Year Adjustment—additional income tax	....	47,263.31
	2,827,523.03	2,796,871.05
Add:		
Net Profit for the year, transferred from Comparative Statement of Income and Expenditure	1,853,039.56	1,341,429.08
	4,680,562.59	4,138,300.13
Deduct:		
Dividends Paid:		
Preferred Shares: $7.00 per share and Participating Dividend—60 cents per share in 1941 and $1.16 per share in 1940	760,000.00	816,000.00
Common Shares: $2.00 per share in 1941 and $1.90 per share in 1940	520,818.00	494,777.10
	1,280,818.00	1,310,777.10
Earned Surplus at end of year	$ 3,399,744.59	$ 2,827,523.03

NOTE: $1,154,823.14 of the Earned Surplus at December 31, 1941 is subject to a payment of a participating dividend of 10% ($115,482.31) when declared.

Statement showing the amount of Earned Surplus as at December 31, 1941, which is subject to payment of a Participating Dividend on the 7% Cumulative Participating Preferred Stock

Amount of Earned Surplus as at December 31, 1940 which was subject to payment of a Participating Dividend of 10% when declared	$ 601,783.58
Deduct:	
Earned Surplus on which a Participating Dividend of $60,000.00 was paid on March 31, 1941	600,000.00
	1,783.58
Add:	
Net Profit for the year 1941, per attached Statement of Income and Expenditure	1,853,039.56
	1,854,823.14
Deduct:	
Dividends (other than Participating Dividends) paid on Preferred Shares in 1941	700,000.00
Amount of Earned Surplus as at December 31, 1941 which is subject to payment of a Participating Dividend of 10% (equivalent to $1.15 per share) when declared	$1,154,823.14

Auditors' Report to the Shareholders

Canadian Celanese Limited,
Montreal.

We have examined the accompanying Balance Sheet of Canadian Celanese Limited as at December 31, 1941 and the related Statements of Income and Expenditure and Earned Surplus for the year ended on that date. In connection therewith, we have examined or tested accounting records of the Company and other supporting evidence and have obtained all the information and explanations we have required, but we have not made a detailed audit of the transactions.

In our opinion, the accompanying Balance Sheet and related Statements of Income and Expenditure and Earned Surplus are properly drawn up so as to exhibit a true and correct view of the financial position of the Company as at December 31, 1941 and the result of its operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the Company.

There is attached a statement showing the amount of Earned Surplus as at December 31, 1941 which is subject to payment of a 10% Participating Dividend on the 7% Cumulative Participating Preferred Stock; we certify that, in our opinion, this statement is correct.

P. S. ROSS & SONS,
Chartered Accountants.

February 16, 1942.

PASSPORT TO SECURITY

Regular saving from your income of today is vitally necessary . . .
— to your future security . . .
— to the security of Canada and her Allies.

Saving Money is Saving Goods

Any of our branches will welcome opportunities of serving you.

The BANK of NOVA SCOTIA

1832 .... (110 YEARS) 1942

Taxes, Regulations

and the complicated methods in the business world of today bear heavily on most estates, whether small or large. An executor now needs to be experienced in many lines of business if the estate is to be properly looked after.

This Trust Company combines the experience of many kinds of business men. It knows real estate and how it should be managed. Security markets and investment trends are under constant study. It keeps up to date on taxation and Succession Duty. Its practical knowledge of the best methods in estate settlement comes from years of actual estate work. Inquire about our services—our knowledge can be used by you to the advantage of those you wish to benefit.

Executor and Trustee Since 1897

THE TRUSTS and GUARANTEE COMPANY LIMITED

TORONTO

CALGARY WINNIPEG BRANTFORD WINDSOR

3-42

Thrift GIVES CANADA WINGS

What can you do to provide the planes, to train and equip our airmen for battle?

You can provide the money, by watching every penny you spend, by saving all you can. Personal thrift is vitally necessary now. Every dollar you can spare is needed for Canada's War effort. Buy Victory Bonds and War Savings Certificates. Build up your savings account. Set aside some money each month to meet the war taxes which must be paid later. We have a job on our hands. Let's finish it.

This book will help you save.

The Royal Bank Family Budget Book shows you how to budget your income, how to save by planned spending. Ask for a free copy at your nearest Branch.

The ROYAL BANK of Canada

Newsprint Output New Record

Biggest February in History of Industry

From Our Own Correspondent

MONTREAL.—According to the Newsprint Association of Canada and the Newsprint Service Bureau, Canadian mills produced 278,101 tons last month.

This is the highest production for any February on record, the previous high mark of 276,419 being established Feb., 1937.

For the first two months of this year, Canadian mills have turned out 590,005 tons of newsprint, compared with 506,905 tons for the like period of 1941.

Shipments Are High

Shipments from Canadian mills last month were under the production figure. They were 264,621 tons. This also represented the highest total on record, and compared with 239,745 tons in February last year.

Breakdown of the shipment shows 15,487 tons went to Canadian publishers; 227,925 tons to American publishers and 21,209 tons overseas.

Both Canadian and American shipments were substantially higher than a year ago, while those to overseas were below par, reflecting difficulties in obtaining adequate shipping facilities.

Shipping Affects Trade

Newfoundland's two mills manufactured 27,330 tons last month. This compared well with January, but was fractionally under the returns for Feb., 1941 when 28,039 tons were turned out.

For the first two months this year the Newfoundland mills have manufactured 35,952 tons, as against 60,312 tons for the same period last year.

Shipments from the Newfoundland mills in February at 15,963 tons, were nearly 50,000 tons less than a year ago, but in line with the February average for the past five years.

Difficulties in obtaining shipping space are apparent from the Newfoundland returns for the first two months of this year. In that period 39,252 tons left the Island, as against 50,258 tons for the like period in 1941.

The position in respect to the American newsprint mills shows no material change. Production last month at 76,234 tons compared with 79,720 tons a year ago.

During January and February this year, the American mills turned out 160,862 tons, or 8,000 tons less than for the corresponding period of 1941.

Newsprint shipments from the American mills have held up satisfactorily, totalling 75,247 tons since February, as against 81,241 tons for the same month last year.

Cumulative returns for the first two months of this year show shipments of 156,034 tons from the American mills, as against 165,382 tons a year ago.

HON. W. EARL ROWE, P.C., President and Managing Director of The Great Lakes Paper Company Limited, who announced at the annual meeting held March 12 the inauguration of a ten months woods operation instead of the usual seasonal cutting period, as a means of meeting increasing labour shortage.

Plead Guilty To Combine

Paperboard Makers Must Pay Fines Totalling $17,000

Four companies making container materials, and H. J. Badden, pleaded guilty to charges brought following an investigation under the Combines Investigation Act some time ago.

This is the second of the two combines cases brought against the paper box group and the companies supplying materials for the industry. The first was decided some months ago and an appeal against the conviction has since been thrown out by the Supreme Court. It is understood that decision to plead guilty in this second case was largely due to the previous decision and a result of failure of the subsequent appeal.

Fines totalling $17,000 have been imposed upon the defendants by Mr. Justice Roach in non-jury assize court in Toronto. Fines were imposed as follows: Hinde & Dauch Paper Co. of Canada, $2,500; Bathurst Power & Paper Co., $5,000; Brompton Pulp and Paper Co., $5,000; Gair Co. of Canada, $2,500; H. J. Badden, $2,000 or two months.

Donohues Incorporate New Pulp Firm

Incorporation papers have been taken out by the Murray Bay Pulp and Paper Co. Ltd. The incorporators are Donohue Bros., who at present operate the newsprint mill at Murray Bay.

The new company is capitalized at $1,925,000, divided into 8,500 Class "A" non-cumulative preference shares and 5,750 Class "B" non-cumulative preference shares and 5,000 common shares, all with a par value of $100 each.

Abitibi Power & Paper Company, Limited

TORONTO, ONT.

Owning directly or through subsidiary companies, mills at

Beaupre, Que. — Iroquois Falls, Ont.
Pine Falls, Man. — Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. — Fort William, Ont.
Port Arthur, Ont.

Newsprint

Groundwood Pulp — News Sulphite Pulp

High Grade Bleached Sulphite Pulp

W. C. BUTLER
Manager for Canada
H. G. FLOWER
Assistant Manager

10 Minutes Later . . .
He Was Crippled for Life

With Canadians busier than ever before, accidents are on the increase! Why not protect your income and earning power — and guard against out-of-pocket expenses such as doctor's and hospital bills . . . the inexpensive PEARL way. Your agent will gladly tell you about PEARL Personal Accident Insurance — or write to us for details.

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INCORPORATED 1926 — SAME YEAR AS PEARL — POLICIES GUARANTEED BY THE PEARL

TAKES NEW POST

Appointment of N. F. Dahl as managing director of Lehn & Fink (Canada) Ltd. is announced. Mr. Dahl is well known in the drug and cosmetic trade in Canada and the United States, having been actively engaged in this field for more than 20 years. Lehn & Fink manufacture cosmetics and drug products.

Newsprint Stocks Under 1941 Mark

From Our Own Correspondent

MONTREAL.—Stocks of newsprint paper on North American mills increased 25,834 tons in February, bringing the total on hand up to 255,671 tons. This was a seasonal increase and the stocks at present are over 19,000 tons less than reported at the end of February, 1941.

Breakdown of returns by countries follows:

Stocks of Newsprint Paper at Mills

	—February—	
	1941	1940
Canada	156,957	176,137
United States	12,414	16,917
Newfoundland	86,300	81,822
Total	255,671	274,876

Great Lakes At Peak

Plans 10 to 12 Month Woods Operations to Ease Labor Shortage

Operations of the Fort William mill of Great Lakes Paper Co. is at 100% capacity for both newsprint and sulphite pulp production. Several high records were established during the year. On Dec. 4, 1941, newsprint production was 408.3 tons which, according to W. Earl Rowe, president and managing director, is believed to constitute the greatest single day's production by a two-machine plant in the history of the industry.

Improvement to the sulphite pulp plant during the year has made pulp production an important department of the company's operations. Expansion programme for 1942 involving an expenditure of $300,000 for an additional digester will increase sulphite pulp available for sale to a total of 40,000 tons, an increase of 15,000 tons per annum.

This additional capacity is expected to be in full production during July or August. The company has been unable to meet the market demand for sulphite pulp for a number of months. Estimated sulphite available for sale should exceed $2.5 millions annually and the increased output should enable the company to bring into Canada more than $8 millions of U. S. funds, states Mr. Rowe.

The company's machine shop department is operating all available extra time in the production of small parts of war material for the government.

Has Labor Plan

Difficulties in operation have already been experienced and further difficulties are expected. An ever-increasing shortage of labor, due to the demands of war industry and enlistments in the fighting forces, is being met in part by deviating considerably the traditional policy of the company.

For example, it is planned to inaugurate a 10 to 12 months pulpwood cutting operation instead of three or four months which has been customary. Mr. Rowe believes this plan will go far to relieve the wartime emergency and may also tend to stabilize labor conditions for bush operators. Some increased costs may have to be met but reduced wood inventories may offset some of these.

Brompton Pulp Deal Concluded

Arrangements Are Made With Ontario on Lake Sulphite Property

From Our Own Correspondent

MONTREAL. — Brompton Pulp and Paper Co. has completed purchase of the assets of Lake Sulphite Pulp Co.

The Ontario department of lands and forests, according to Hon. N. O. Hipel, minister, "has entered into an agreement with Brompton, granting them a pulpwood concession on practically all of the timber areas originally held by Lake Sulphite and Nipigon Corp.

"Brompton has undertaken to expend in the neighborhood of $2.5 millions on the completion of and additions to the existing buildings in the vicinity of Red Rock, for the production of sulphite pulp.

200 Tons Daily

"This mill is to have an initial capacity of approximately 200 tons per day. It is understood that as soon as conditions permit, Brompton intends increasing the capacity of the mill to double the amount.

"According to the agreement, Brompton will employ at least 500 men in the initial stages of development. This number, it is anticipated, will increase to well over 1,000. They will need at least 150,000 cords of pulpwood this year."

U. S. Controls All Woodpulp

New Order to Regulate Disposal of Total Supply

From Our Own Correspondent

MONTREAL. — An order giving the U. S. War Production Board full control over all types of woodpulp, both domestic and imported, has been signed by Donald M. Nelson, War Production Director.

The power to allocate woodpulp to any paper mill or other processor, provided in the order, will not be exercised immediately, official sources said, but allocation of machinery will be set up for use when expected serious shortages develop.

The order becomes effective May 1.

Montreal Light, Heat & Power Cons. stock in easing off to 20 reached a new all-time low for the present stock. Reports causing the decline in market value persist there has been liquidation of some large holdings, as operations continue at record levels.

Company Reports

B. C. Pulp

Reflecting capacity operations in the past year, British Columbia Pulp & Paper Co.'s financial statement for 1941 showed an operating profit of $3.2 millions, as against $2.3 millions the year before. After substantial increase for tax provision, net profit of $601,160 compared with $340,889 the previous year. Earnings on the preferred stock advanced from $61.29 to $113.59 a share and on the common from $3.02 to $5.92.

The balance sheet as at the end of 1941 showed further strengthening, with net working capital at $968,679. Liquid position of the company registered marked improvement, while there was a further reduction in the first mortgage bonds outstanding.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Oper. profit	3,292,690	2,308,655
Other income	3,841	1,094
Total revenue	3,296,531	2,309,749
Less: Directors' fees	3,000	3,000
Exec. salaries	48,504	48,710
Bond interest	320,366	327,150
Invent. deprec.	86,501	97,000
Property deprec.	737,000	643,000
Tax provision	1,500,000	850,000
Surplus for year	601,160	340,889
Previous deficit	1,232,965	1,573,855
Surplus forward	631,805	1,232,966
Earned on Preferred	$113.59	$61.29
Earned on Common	5.92	3.02

Working Capital

	$	$
Current assets	3,037,616	2,093,190
Current liabilities	2,068,937	1,316,061
Working capital	968,679	777,129

Balance Sheet Changes

	1941	1940
	$	$
Cash	526,322	131,159
Accts. receivable	1,119,107	483,592
Inventories	1,392,185	1,456,220
First mortgage	2,795,000	3,130,500
Deferred interest	905,408	860,445

Great Lakes Paper

Great Lakes Paper Co. reports a small increase in operating earnings for 1941 and a somewhat larger gain in net profits. For the first time the company earned the full annual dividend on its classes A and B preference stocks. Net profits last year were $2.26 a share against $1.59 for 1940. Dividends paid last year totalled $1.50, leaving arrears after the latest payment at $8.75 a share.

During 1941, $481,100 principal amount of bonds were repurchased bringing amount held to $605,374. In addition $63,000 of the bonds were cancelled last year, leaving $5.9 millions outstanding without deducting the amount held by the company as an investment.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Net oper. profit	1,975,351	1,804,557
Less: Depreciation	617,993	561,282
Bond interest	299,212	300,000
Bad debt prov.	25,000	25,000
Spec. invent. res.	100,000	100,000
Contingency res.	......	100,000
Income & E. P. tax.	480,000	400,000
Net profit	453,146	318,275
Less: Preference divds.	300,000	250,000
Surplus for year	153,146	68,275
Add: Prev. surplus	535,308	346,547
Inventory adj.	......	120,486
Excess tax res.	......	100,000
Earned surplus fwd.	788,455	535,308
Earned per Share:		
A & B preference	$2.26	$1.59
Paid	1.50	1.25
Common	0.26	d0.62
No common dividends paid.		
Shares O/s.:		
A Preference, n.p.v.	100,000	100,000
B preference, n.p.v.	100,000	100,000
Common, n.p.v.	100,000	100,000

Working Capital

	$	$
Current assets	3,693,465	3,302,281
Current liabilities	1,076,756	801,114
Working capital	2,616,709	2,501,167

Balance Sheet Changes

	$	$
Cash	956,908	735,331
Dominion bonds	......	373,117
Accts. receivable	1,060,102	560,320
Inventories:		
Wood	217,378	649,605
Pulp & paper	408,771	270,396
Stores, supplies	677,074	552,497
	1,303,222	1,472,498
Less: Reserve	200,000	100,000
Advs. woods opers.	573,233	261,015
Own bonds held	605,374	218,056

Newsprint Men Named to Aid Price Board

Industry Sets Up Advisory Committee on Simplification

From Our Own Correspondent

MONTREAL.—Appointment of an advisory committee on economics and simplification in production and distribution of newsprint, has been announced by the Wartime Prices and Trade Board. The committee has been nominated by the trade itself and the appointment has been confirmed by the chairman of the board.

E. M. LITTLE, general manager of Anglo-Canadian Pulp and Paper Mills, Quebec City;
COL. C. H. L. JONES, president, Price Bros. and Co., Quebec City;
R. C. DOANE, vice-president, International Paper Sales Co., Montreal;
G. T. CLARKSON, receiver and manager, Abitibi Power and Paper, Toronto;
L. J. BELNAP, president, Consolidated Paper Corp., Montreal;
C. G. SAGE, vice-president, Spruce Falls Power and Paper Co., Toronto;
A. F. WHITE, chairman of the board, St. Lawrence Corp., Toronto;
H. S. FOLEY, president, Powell River Co., Vancouver;
R. P. KERNAN, president, Donnacona Paper Co., Quebec City.

The committee working, with officials of the board, will study their own industry for possible economies which might be made.

Paperboard Output Increases in U. S.

From Our Own Correspondent

MONTREAL. — Production of paperboard in the United States amounted to 580,059 tons in January, 1942, an increase of 6.4% over December, and 29.8% over January, 1941, according to the U. S. Dept. of Commerce.

Production last January was 96.8% of the rated capacity for the 103 concerns reporting. This contrasts with 77.3% for the same month last year.

Unfilled orders at the end of January amounted to 406,348 tons compared with 404,121 at the end of December, and 160,561 tons at the end of January, 1941.

Newsprint Operating Ratios at High Level

Canadian newsprint mills report an operating ratio in February of 81.5% This is the highest figure reported for any February and compares with 84.4% in January 1942 and with 72.9% in February 1941.

Shipments last month were equal to 77.6% of capacity, also the highest for any February in the last five years, and comparing with 79% in January last, and with 71.1% in February a year ago.

SHAPING FUTURE EVENTS

The business future is being written in each day's mail; in enquiries as to new materials; facts about new processes; announcements of new policies.

Choose for your business letterheads a paper worthy of your company's place in the forward march of business and industry. Choose Superfine Linen Record, a crisp and beautiful paper to dignify your daily correspondence ...an enduring, 100% new-rag paper to meet the challenge of time.

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60 YEARS OF FINE PAPER MAKING
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HELP SPEED VICTORY • BUY WAR SAVINGS CERTIFICATES

International Paper Net Income Holds

From Our Own Correspondent

MONTREAL.—Earnings of International Paper Co. in 1941 are reported to have been about the same as in 1940, when net income totalled $15.7 millions, or $6.07 a common share.

Sales in the first nine months of 1941 were approximately 27% higher than in the like 1940 period, but due to larger reserves and greatly increased federal taxes, net profit was lower. In that period reserves were set up for depreciation and obsolescence of $8.1 millions, compared with $4.2 millions in the same period of the previous year. Net result of these heavy taxes was a reduction in net for the nine months to $11.5 millions, or $4.41 a common share, from $12.2 millions or $4.79 a share in the first nine months of 1941.

DOMINION TAR & CHEMICAL COMPANY LIMITED

AND SUBSIDIARY COMPANIES

Annual Report for the year Ended 31st December, 1941

CONSOLIDATED BALANCE SHEET

ASSETS

	As at 31st Dec., 1940	As at 31st Dec., 1941
CURRENT AND WORKING ASSETS:		
Cash	$ 302,634.47	$ 439,331.01
Accounts and bills receivable—less reserves	1,494,036.87	2,380,639.83
Inventory of finished products, raw materials and supplies, as determined from the companies' records, valued at or below cost and as certified by officials of the companies	2,156,735.18	1,814,042.42
Unexpired insurance	19,204.82	16,201.90
Marketable securities	1,611.30	......
Book value of life insurance policies	55,800.00	55,800.00
	$ 4,030,022.64	$ 4,706,015.16
INVESTMENTS:		
Shares of other companies at cost and advances to employees	33,532.08	29,126.80
FIXED ASSETS:		
Valued at cost, except in the case of properties acquired from subsidiary companies which are valued on the basis of appraisals by Canadian Appraisal Company Limited in 1940 and 1941.		
Land	1,106,918.43	930,197.44
Buildings, plant, machinery, equipment and mineral lease	9,094,523.95	8,685,769.26
	$10,201,442.38	$ 9,615,966.70
Less: Reserves for depreciation	3,787,751.97	2,642,472.14
	$ 6,413,690.41	$ 6,973,494.56
GOODWILL:		
Represented by the amount paid for shares of subsidiary companies in excess of the book value of the net tangible assets applicable thereto, less amounts written off	2,500,000.00	1,750,000.00
	$12,977,245.13	$13,458,636.52

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the books and accounts of Dominion Tar & Chemical Company Limited for the year ended 31st December 1941, and the books and accounts of subsidiary companies, with the exception of three subsidiaries whose accounts, which have been examined and reported upon by other Chartered Accountants, are included in the above Consolidated Balance Sheet. We have obtained all the information and explanations which we have required.

In our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the combined companies' affairs, according to the best of our information and the explanations given to us and as shown by the books of the companies.

McDONALD, CURRIE & CO.,
Chartered Accountants.

Montreal, 4th March, 1942.

APPROVED ON BEHALF OF THE BOARD:
LIONEL O. P. WALSH } Directors.
R. D. BELL

LIABILITIES

		As at 31st Dec., 1940	As at 31st Dec., 1941
CURRENT LIABILITIES:			
Accounts payable and accrued liabilities		$ 742,721.89	$ 1,195,860.19
Accrued interest on debentures		22,400.00	21,525.00
Provision for income and other taxes		773,501.66	1,013,495.70
Dividends declared on preference stocks—			
Alberta Wood Preserving Company Limited		3,816.75	3,780.00
Dominion Tar & Chemical Company Limited		69,231.25	69,231.25
		$ 1,611,671.55	$ 2,303,892.14
SECURED DEBENTURES:			
Total authorized issue	$7,500,000.00		
Serial debentures 3½% Series "A" due 15th November, 1942 to 1944		800,000.00	600,000.00
15 Year debentures 4½% Series "A" due 15th November, 1951		3,360,000.00	3,360,000.00
CAPITAL STOCK AND SURPLUS:			
Preference Stocks—			
Dominion Tar & Chemical Company Limited—5½% Cumulative preference stock:			
Authorized—75,000 shares of $100.00 each	$7,500,000.00		
Issued and fully paid—50,350 shares (Redeemable upon sixty days' notice at 110% and accrued dividends).		5,035,000.00	5,035,000.00
Alberta Wood Preserving Company Limited—7% Cumulative redeemable preferred stock:			
Authorized and issued—3,455 shares of $100.00 each	$ 345,500.00		
Outstanding in the hands of the public (Redeemable upon sixty days' notice at 105% and accrued dividends).		218,100.00	216,000.00
Industrial Minerals Limited—			
Authorized and issued—11,039 5% First preference non-cumulative shares of $10.00 each	$ 110,390.00		
122,892 4% Second preference non-cumulative shares of $1.00 each	$ 122,892.00		
Outstanding in the hands of the public			
4,008 First preference shares		40,530.00	40,080.00
39,240 Second preference shares		41,103.00	39,240.00
Common Stock—			
Authorized—450,000 shares without nominal or par value—			
Issued and fully paid—373,884 shares		711,253.00	711,253.00
Earned Surplus—as per attached statement		1,159,587.58	1,153,171.38
		$ 7,205,573.58	$ 7,194,744.38
		$12,977,245.13	$13,458,636.52

ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the Shareholders:

Your Directors submit herewith a consolidated statement, duly audited, of the affairs of your Company and its subsidiaries for the fiscal year ended the 31st of December, 1941.

The net operating profit, before charging debenture interest, depreciation reserve and income tax reserve, at $2,292,999.41, compares with $1,902,774.30 in 1940, an increase of $390,225.11.

The profit, before income taxes, at $1,639,674.41 compares with $1,301,438.65 in 1940, an increase of $338,235.76. After a provision of $996,354.52 for income and excess profits taxes, against $714,198.06 for 1940, there remains $643,319.89 net profit against $587,240.59 in 1940.

All divisions have benefited from increased business and are successfully meeting the heavy demands made on your Company arising from the war. Export shipments of Coal Tar products rose in volume in a marked degree, making a material contribution to the earnings.

Expenditures on capital account amounted to $637,400.61. An arrangement with the Government was made to erect a plant to manufacture Phthalic Anhydride which accounted for a considerable portion of the above. The plant is now operating and shipments of this chemical are being made. The balance of capital expenditures were for extensions and improvements to plants and equipment. It is anticipated there will be further heavy capital expenditures required for the production of Coal Tar derivatives needed for war purposes.

The capital structure of the Company has been further simplified by the transfer of the assets of three Subsidiary Companies to the parent Company on the basis of the appraised value and the capital surplus arising therefrom has been written off Goodwill. A further appropriation from earned surplus for the same purpose reduces Goodwill by the total amount of $750,000.00 to $1,750,000.00.

The $200,000.00 of Serial Debentures falling due in November were paid off. $2,100.00 par value of Preference Shares of Alberta Wood Preserving Company, Limited, and $2,313.00 par value of the Preference Shares of Industrial Minerals Limited, were purchased.

Working Capital amounts to $2,402,123.02, slightly reduced from $2,418,351.09 a year ago.

It is with regret we record the death of Sir Herbert S. Holt whose guidance and counsel for many years has been of great assistance in the direction of the Company's affairs.

Your Directors wish to acknowledge the loyalty, initiative and excellent work performed by the officers and staff under most trying conditions.

On behalf of the board.

LIONEL O. P. WALSH,
President.

Consolidated General Statement of Income and Expenditure For the Year Ended 31st December, 1941

Net Operating Profit—before making the following deductions		$2,416,049.72
Legal expense	$ 16,126.25	
Salaries and fees paid to executive officers	101,556.08	
Fees paid to other directors	5,367.98	
		123,050.31
		$2,292,999.41
Interest on debentures	$ 178,325.00	
Provision for depreciation	475,000.00	
Provision for income taxes	996,354.52	
		1,649,679.52
Net Profit for the year		$ 643,319.89

Consolidated Statement of Earned Surplus For the Year Ended 31st December, 1941

Balance at Credit of profit and loss account as at 31st December, 1940		$ 1,159,587.58
Add:		
Net profit for the year	$ 643,319.89	
Net loss on sale of marketable securities less discount on preferred shares purchased	5,036.88	
		638,283.01
		$ 1,797,870.59
Deduct:		
Dividends on preference stocks—		
Alberta Wood Preserving Company Limited	$ 15,177.75	
Dominion Tar & Chemical Company Limited	276,925.00	
		292,102.75
		$ 1,505,767.84
Deduct:		
Amount written off goodwill account	$ 750,000.00	
Less: Capital profit arising from the appraisal of certain of the properties of the companies	397,403.54	
		352,596.46
Balance at credit of profit and loss account as at 31st December, 1941		$ 1,153,171.38

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select list of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Can. Power & Paper

Please outline the outlook for Canadian Power and Paper Investments debentures.

Canadian Power & Paper Investments is an investment trust, with about 50% of its holdings in public utilities and 21% in pulp and paper securities. The major part of the holdings are in Power Corp. of Canada and Bathurst Power & Paper Co. It appears that the current relatively low level for these bonds reflects the company's earnings position. Last year debenture interest was earned 1.02 times as compared with 1.27 times in the year ended, July 31, 1940. There are arrears of interest for the period Feb. 1, 1934 to July 31, 1938, amounting to $190,327 still unpaid. This interest was postponed by arrangement with the bondholders.

With regard to the principal holdings of this company, Power Corp. reported substantially lower earnings in the year ended June 30, 1941, than in the previous year. Bathurst Power and Paper Co. reported substantially better earnings for 1941 than for 1940. The picture is thus somewhat mixed and leaves the status of these debentures none too strong.

Donnacona Paper

I have a Donnacona Paper 5½% bond, due 1947. What is the financial condition of this company?

Donnacona Paper Co.'s gross earnings in 1941 at $1.3 million were the largest reported in some years. This was reflected in the bond interest being covered 3.98 times before depreciation and depletion and 1.67 times after depreciation and depletion. The amount written off for depreciation was $759,262, again the largest in company history. Improvement in the position of the company is reflected in the net working capital position. At the end of 1941, current assets exceeded current liabilities by over $1.3 million. Over the past seven years there has been an improvement of $600,000 in net working capital.

English Electric

I am told that English Electric Co. of Canada is going to redeem its Class A preferred? Is there anything to that story. How did the company do in 1941?

D. M. McDougall, president of English Electric Co. of Canada, informs The Financial Post that the company has no intention whatever of redeeming its Class A preferred stock at present. Probably you have been somewhat confused by the fact that these shares can be redeemed on 30 days' notice at $55 a share, but there is nothing new about this as it is a provision which the stock has carried since it was issued. From time to time the company has purchased and cancelled shares of this Class A, but the total to the end of 1940 was only 7,404 shares out of 50,000 issued and none had been cancelled that year. We are told that the company's volume of business in 1941 was considerably greater than in 1940 which itself showed a gain of about 60% over 1939. This means that operating profits will be up but how much of the gain will be carried through to net profits is another question. Taxes will undoubtedly take a heavy slice and the company is expecting to be able to write off certain machinery installed for war work at an accelerated rate.

National Sewer Pipe

Is there any payment in sight on National Sewer Pipe preferred?

National Sewer Pipe Co. has recently issued its annual report covering the year ended Oct. 31, last. This report shows an increase in sales volume due to war business, but no improvement in volume of municipal work. The company reports a small net profit for 1941, equivalent to 34 cents a share on its class "A" shares, compared with a small deficit in the preceding year. This company has not shown any substantial earning power since 1931. We have not seen any indication that a dividend would be paid on the class A stock on which arrears at December 15 last amounted to $19.20 a share. The company has a strong financial position, but lack of any real earning power is probably considered sufficient basis for postponing payment of dividends.

Abitibi

How did Abitibi make out in 1941? Do you think there is any chance of the company paying off all the back interest on its bonds?

Abitibi Power & Paper Co., in 1941 achieved record earnings on production. The company earned $9.9 millions before allowing for depreciation and bond interest. In 1940 the company charged $4.5 millions for depreciation and in preceding years only $1.8 million. How much will be charged against 1941 earnings is not known but it is clear that interest requirements on the company's bonds, including interest on unpaid interest, was earned after depreciation by a reasonable margin last year.

As to the company being able to pay off all back interest on its bonds, we would somewhat question that. Accrued bond interest at the end of 1940 totalled $21.9 millions and interest on this unpaid interest amounted to another $4.7 millions, or a total of $26.6 millions. It is hardly likely that the company will show a cash position permitting it to pay off this large sum at once. However, application has been made to the courts to have the company pay 10% on principal account on its bonds, similar to the 13% capital repayment last October.

Hiram Walker

Will production of industrial alcohol for war have any material influence on earnings of Hiram Walker?

What effect the production of industrial alcohol for war purposes will have on the earning power of Hiram Walker-Gooderham and Worts is not at all clear as yet. In Canada, the company's plants have been turned substantially toward war work, and additions have had to be made to the company's Toronto distillery for this purpose. In the United States, a somewhat different situation prevails. Difficulty has been experienced in switching the production of the company's huge Peoria plant to making alcohol for war purposes, but it is thought that this trouble is being straightened out. It appears that even if production of liquor was interrupted for a while during the war, stocks on hand and in storage would be sufficient to permit this company to carry on for some time without difficulty. Thus there seems no reason to think that it will not be able to earn and pay the $4 a share dividend on the common. In the year ended August 31, 1941, net profits available for the common were equivalent to $8.78 a share, more than double the amount paid. This leaves a considerable balance of earnings as a protection for this dividend. In spite of this it is thought that a switching of a substantial amount of the company's activities to the production of alcohol for war purposes would likely result in somewhat lower earnings, although how much it is not possible to state.

Toronto Mortgage

What rate does Toronto Mortgage pay on its outstanding debentures, please? Some information on the company's financial standing would also be appreciated.

On its 3-year debentures, Toronto Mortgage is currently paying 3¼% interest, while on the 4 and 5-year debentures, 3½% is being paid. This company has a long record of profitable operation as witnessed by the fact that it has paid dividends on its common stock for an unbroken period of 40 years.

Since the start of the war, repatriation has brought a decrease in the amount of the company's sterling debentures outstanding. In 1941 these debentures were decreased by $138,000 to total $1.5 millions.

At the same time, outstanding debentures payable in Canada have advanced with an increase of $61,000 being registered in 1941 to bring the total to $1.3 millions. In 1941 the company had a total income of $297,939 against which sterling interest requirements were $58,309 and Canadian debenture interest requirements were $43,995, or a coverage of almost three times for these two items before deducting tax reserve, investment reserve and management costs.

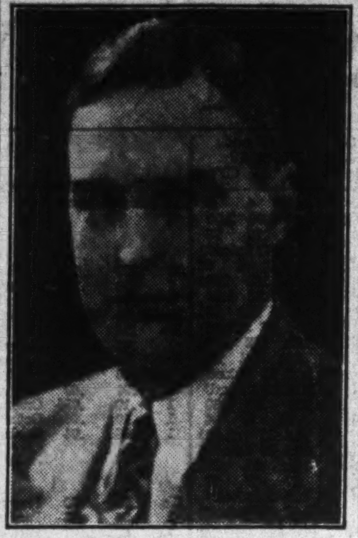
The company's liabilities to the public as at Dec. 31, 1941 totalled $3 millions which were secured by assets totalling $5.3 millions. These assets consist of $1.3 millions in liquid assets, $3.9 millions in mortgages and $99,000 in other assets.

All the company's mortgage investments are in the Province of Ontario and of these approximately 90% are in the Toronto area.

B. C. Power

As a subscriber of The Financial Post I would appreciate a report from you on the class A stock of British Columbia Power Corp.

British Columbia Power Corp. has been able to maintain its position. Wartime conditions in the Pacific coast area served by the company have resulted in marked betterment in gross income, but higher expenses and taxes have tended to keep down the net profits available on the class A stock. For the first 11 months of 1941, for example, balance available on the A stock was $44,533 less than for the like period of 1940. This trend continues into the current year, January net income being fractionally under that for the same month a year ago. Market value for the class A stock has been depressed by a variety of reasons, but principally the Government enquiry into the company's property valuation in order to determine whether or not the rate structure is equitable.



LINKS WAR WORK

British American Oil Co., Ltd., announce that W. K. Whiteford has been appointed a director and named an executive vice-president. Mr. Whiteford has been, since 1935, executive vice-president of the company's United States subsidiaries, the British American Oil Producing Co. and the Toronto Pipe Line Co. His appointment will effect closer co-ordination between the producing, refining and marketing divisions.

New Brunswick-Ottawa Deal in Final Stages

From Our Own Correspondent

MONTREAL. — New Brunswick will receive compensation of $3,650,067 a year from the Dominion government under the arrangement whereby the province will forego the right to impose and collect income tax, corporation taxes and taxes on securities for the duration of the war.

A bill authorizing the provincial government to enter into an agreement on behalf of the province and the municipalities has been submitted to the New Brunswick legislature. The compensation, based on 1940 accounts, is shown at $3,826,396 for debt charges, less succession duties of $527,822, plus a fiscal need subsidy of $371,453, making a net of $3,650,067.

Besides relinquishing income and corporation taxes, the province will lose, temporarily, the special federal payments made under the Duncan and White Commission recommendations, totalling $900,000 a year. A section on the proposed agreement states the Dominion recognizes that this grant is in the nature of a subsidy and undertakes to continue the payment after the termination of the agreement.

Excluded from the corporation tax rights handed over to the Dominion are such revenues as licenses, registration or filing fees, incorporation fees, franchise fees or licenses, assessments under the Workmen's Compensation Act and business occupancy taxes based on rentals or assessed value of property, or on gross receipts from business or other similar bases proposed by the municipality.

Income tax is described in the bill as any tax imposed on the net income of a corporation or on the net or gross income of an individual or partnership and shall include a toll or head tax based on income.

Maritime Tel. Operations Up

From Our Own Correspondent

MONTREAL.—Long distance toll traffic handled by Maritime Telegraph & Telephone Co. in January continued upward. Number of completed toll calls was 176,450, or 15,732 over the returns for January, 1941.

Island Telephone Co., a subsidiary operating in Prince Edward Island, reports 16,894 long distance calls in January, a gain of 2,286 over the same month last year.

At the end of January, Maritime Telegraph & Telephone reported 51,881 stations in service. This represents a net gain of 447 during the month and was the largest ever reported by the company.

Seek to Repeal St. Lawrence Bill

From Our Own Correspondent

MONTREAL. — A bill has been introduced by a private member into the Quebec Legislature to repeal the Act of the 1941 session relative to the development of the St. Lawrence water powers.

The Act which the Legislature is asked to repeal authorizes the Minister of Lands and Forests to conclude with the government of Canada an agreement relative to the development of the St. Lawrence River.

Now, more than ever, you need a Trust Company as your executor

The imposition of a second Succession Duty, that was recently imposed by the Dominion Government, may have important implications for your Estate.

It is more important than ever before that you should consult one of our Estates Officers as to the nature and classification of your assets—as to how your Will as drawn, or projected, will affect the amount of Dominion and Provincial Succession Duties which your estate will have to pay.

Write or telephone for an appointment.
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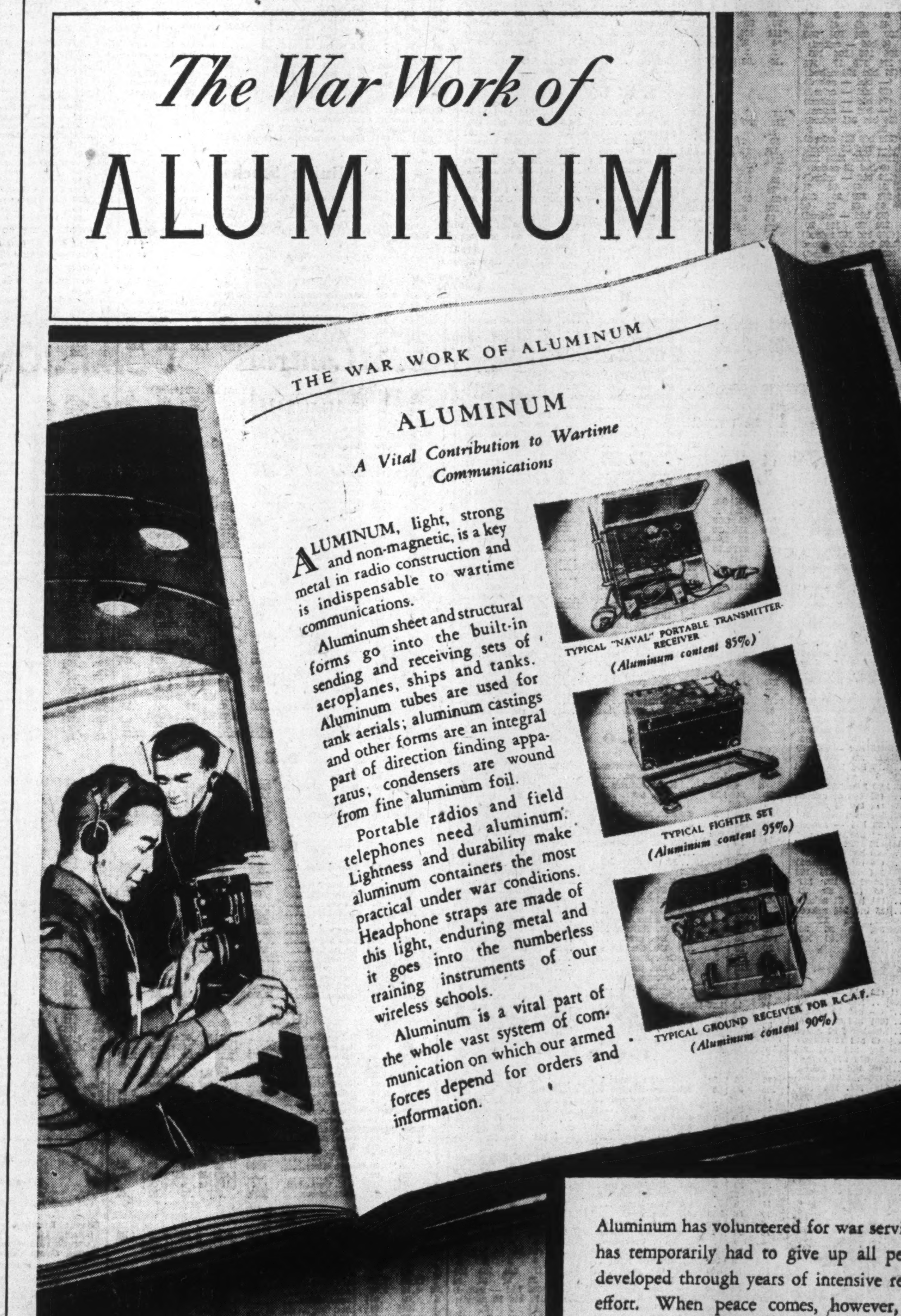
The Mercantile Agency
ESTABLISHED 1841
20 Offices in the Dominion



Aluminum has volunteered for war service and therefore has temporarily had to give up all peacetime markets developed through years of intensive research and sales effort. When peace comes, however, the Aluminum Industry will return to production for civilian needs.

ALUMINUM COMPANY OF CANADA, LIMITED
MONTREAL
ARVIDA KINGSTON SHAWINIGAN FALLS TORONTO

Your Income Tax

Deadline for income tax returns is March 31, a month earlier than usual. In this weekly column, The Financial Post answers the problems you may have in computing your tax.

Widower Supports Cousin

I am a widower, maintain a large self contained establishment and support therein my aged cousin who is a blood relation. I also employ two maids. Am I allowed the $1,500 exemption when making up my income tax? I am informed my cousin is not considered a blood relation for the purposes of the income tax act. Is this correct?

Your cousin is not considered a blood relation as far as the exemption allowed under the income tax act is concerned. Blood relation, it appears, takes in such classes as brothers and sisters, parents and children but not aunts, uncles or cousins. Accordingly you are not allowed the $1,500 exemption.

Married Couple Separated

What is the position as regards income tax of a married couple who have not been living together for at least 20 years. There is no divorce. The wife is working and has been receiving a salary and income from investments of say, $1,000 to $2,000. She claims her husband is barely making a living and has been living in a different locality for many years. Neither contributes to the support of the other. Last year she claimed exemption of only $750. Would she be allowed exemption of $1,500?

The income tax department would consider the couple you speak of as a married couple although they have been separated for 20 years, as long as there has been no divorce. One of the couple accordingly is entitled to exemption of $1,500, provided the income of the other is not over $750. If the wife is sure the husband's income is not over $750, she is entitled to the larger exemption.

Switching Exemptions

My wife and I have two children. I have an earned income, while she has an investment income. Since my wife's income has been greater than mine, she has been claiming exemption for the two children. Last year the dividends ceased on some of her securities so now she is receiving less than I am. Can I now claim the exemption for the two children? If so, it would result in a saving in income taxes on the two incomes. Suppose in two or three years time the situation is reversed and my wife's income is again the greater, could she take back the exemption on the children.

Where the husband and wife with two children each have an income, one only can claim exemption on account of the children. The couple between them can elect which one will claim the exemption in any one year. This election is for one year only and may be changed at the end of any one year. Accordingly there would be no difficulty switching the exemption back to the wife in two or three years if desirable.

W. E. N. BELL
Taxation & Insurance Consultant
505 Metropolitan Bldg.,
Toronto — AD. 5457

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CANADA PERMANENT Mortgage Corporation
Head Office, 320 Bay St., Toronto
Assets Exceed $67,000,000.

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED 5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1941), $12,531,188

INSURE YOUR LIFE'S WORK

The administration of an estate requires more than willingness to undertake responsibility. It requires expert handling by men trained in such matters.

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Appoint This Company Your Executor

MONTREAL TRUST COMPANY
Montreal Trust Building
61 Yonge Street Toronto
J. F. HOBKIRK, *Manager.*

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including club market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING MARCH 16

Range 1942 High	Low	Div R'te $	Mar14 Y'ld %		Sales	Last Mar. 9	Week end. Mar. 16 H	L	Cl'se
				A					
.75	.40	.	...	Abitibi	200	.70	.65	.65	.65
7	4½	.	...	Do. pref. 6%	....	(5¾ bid 6 asked)			
13	13	.	...	Do. pref. 7%	....	(13 bid — asked)			
†3	1	.	...	Acme Glove	....	(3 bid 4 asked)			
60	60	6.50	10.8	Do. pref.	....	(— bid 60 asked)			
13	12	80+20c	8.3	Agnew Surp.	....	(12 bid — asked)			
†108	105	7	6.6	Do. pref.	....	107½ bid 110 asked			
.90	.75	.	...	Alta. Pac. Gr.	100	.90	.75	.75	.75
[illegible]									
				F, G					
16¾	15	1	6.6	Ford Motor A.	1019	15½	15¾	15	15½
17	15	1	6.7	Do. (B)	....	(15 bid 15½ asked)			
.15	.15	.	...	For. Pr. Secs.	....	(— bid .25 asked)			
16½	13	1+50c	10.3	Foundation C.	....	(14 bid 15 asked)			
13	9	.	...	Fraser Cos.	5	10	10½	10½	10½
13½	10¾	.	...	Do. Vot. Tr.	275	10¾	10½	10¾	10¾
†.50	.50	.	...	Freiman	....	(.50 bid — asked)			
†55	41	‡4.50	...	Do. pref.	....	(50 bid — asked)			
6	4½	60c	12	Gatineau Pwr.	80	5	5	4¾	5
74	68	5	7.3	Do. pref.	22	69	71	68	68
80	76	5.50	7.2	Do. 5½% pref.	....	(74½ bid 76¾ asked)			
†1.25	.15	.	...	Do. Rights	....	(— bid .25 asked)			
[illegible]									
				T, U, V					
11½	9	80c	7.3	Tamblyn	....	(10½ bid 11 asked)			
52½	52½	2.50	4.7	Do. pref.	....	(52½ bid — asked)			
§3	3	.	...	Thayers	....	(1½ bid 3 asked)			
§36	20	3.50	...	Do. pref.	....	(22 bid 35 asked)			
1	1	.	...	Thrift Stores	....	(1 bid 2½ asked)			
11	10	.	...	Do. pref.	....	(11 bid 12 asked)			
8½	7	60c	8.3	Tip Top Tailors	....	(7 bid 8 asked)			
106	100	7	7	Do. pref.	....	(100 bid 102 asked)			
†1.50	1.00	.	...	Tooke Bros.	....	(1.00 bid — asked)			
12	12	.	...	Do. pref.	25	12	12	12	12
20	20	1	5	Tor. Elevators	100	20	20	20	20
50	48	2.62½	5.4	Do. pref.	5	48	48	48	48
76	70	4	5.7	Tor. Gen. Tr.	....	(72 bid 75 asked)			
84½	68	5	6.2	Toronto Mtge.	9	80	84½	80	80
150	147	7	4.7	Tuckett Tob. p.	....	(147 bid 155 asked)			
3½	1	.	...	Twin City	....	(2½ bid — asked)			
28½	28½	.	...	Do. pref.	....	(— bid — asked)			
10¾	9	80+20c	11	Union Gas	195	9½	9½	9½	9½
†13½	12	80c	6.2	Un. Amuse. A.	....	(12 bid — asked)			
†13½	13	80c	5.9	Do. (B)	....	(12 bid — asked)			
1.20	.75	10c	...	United Distill	....	1.00 bid 1.10 asked			
36	32	3	9.4	United Fuel, pf.	....	(30 bid 36 asked)			
3¾	2¾	.	...	Do. B. pref.	165	3¾	3	2¾	3
2.25	.75	.	...	United Secs.	....	(2 bid — asked)			
4	2¾	.	...	United Steel	685	3	3	2¾	2¾
3¾	3	.	...	Viau Bisc.	....	(— bid 3½ asked)			
52	50	5	10	Do. pref.	....	(48¾ bid — asked)			
				W, Y, Z					
40	35	2+50	6.9	Wabasso Cot.	76	36	36½	35	36½
50½	40	4	10	Walker-Good.	720	41	41	40	40½
21	18½	1	5.3	Do. pref.	167	18¾	19	18¾	18¾
1.05	1.00	5c	...	Walkerville Br.	....	1.05 bid 1.10 asked			
§135	120	7	...	W. Koot. Pr. pf	....	(135 bid — asked)			
1.00	1.00	.	...	West. C. Flour.	25	1.00	1.00	1.00	1.00
22	18	.	...	Do. pref.	....	(16 bid 20 asked)			
51	49	3+2	9.8	West Grocers	....	(— bid 75 asked)			
110½	109	7	6.4	Do. pref.	....	(108½ bid — asked)			
§15½	11¾	50c	...	W'minster Pap.	....	(— bid — asked)			
11½	9¾	80c	7.6	Weston Ltd.	70	10½	10½	10	10
94½	94	5	5.3	Do. pref.	....	(93 bid 96 asked)			
16½	15½	1	6.2	Wilsils	50	15½	16½	16½	16½
1.15	.65	.	...	Winnipeg El. A.	361	.95	1.00	.75	.95
1.25	.95	.	...	Do. (B)	325	.95	1.00	.95	.95
8	6¾	.	...	Do. pref.	....	(6 bid 6½ asked)			
80	74	7	9.4	Wood, A. & J. p	....	(— bid 80 asked)			
60	55	.	...	Woods Mfg. pf.	....	(— bid 65 asked)			
5	4½	40c	...	York Knitting	50	4¾	4½	4½	4½
•100	100	7	...	Do. 1st pref.	....	(— bid — asked)			
11½	11	80c	7.1	Zellers	....	(10¾ bid 11½ asked)			
25	24½	1.50	6.2	Do. pref.	....	(24½ bid — asked)			

Quotations: †1941. § 1940. • 1939. * 1938.
▲ On account of arrears.
■ Participating. ‡ Paid in 1941.
° Paid in 1941 after corporate income tax.

Mining Stocks

Week Ending March 16

Par Val.	Range 1942 High	Low	Company	Sales	Close Mar. 9 (or last)	High for week	Low for week	Close Mar.16
			A					
No	.16½	.10	Aldermac	3,200	.10	.12	.10	.10
1	.00½	.00½	Amm. Gold	1,000	.00½	.00½	.00½	.00½
No	2.55	2.20	Anglo-Huronian	......	(2.00 bid 2.50 asked)			
No	*.40	.30	Argus Interests	......	(.35 bid .50 asked)			
No	†.03	.01	Arno	......	(.... bid .02 asked)			
1	.10	.04½	Arntfield	3,000	.05½	.07	.05½	.06
1	.04½	.02¾	Ashley	3,000	.02¾	.03½	.03	.03½
1	.01¾	.01½	Astoria Quebec	500	.01¾	.01¾	.01¾	.01¾
[illegible]								
			N, O					
1	.23	.17	Naybob	7,500	.18½	.18	.17	.17
1	.50	.37½	Negus Mines	......	(.35 bid .50 asked)			
5	1.04	.90	Nipissing	1,600	.90	.92	.92	.92
No	52.00	42.25	Noranda	782	44.00	44.00	42.25	43.00
No	.25	.16	Nor. Canada	......	(.18 bid .29 asked)			
1	.04	.03½	Norgold	2,000	.04	.04	.03½	.03½
No	.90	.72	Normetals	12,562	.77	.78	.72	.72
1	5.00	3.75	Northern Empire	......	(2.50 bid .... asked)			
1	.91	.60	O'Brien	5,250	.64	.63	.60	.60
1	.10	.05½	Omega	8,226	.09	.10	.09	.10
1	.10	.06¾	Ontario Nickel	18,000	.07½	.07½	.06¾	.06¾
1	.06	.04	Osisko	......	(.... bid .04 asked)			
			P, Q, R					
No	.90	.70	Pamour	1,917	.75	.73	.70	.70
1	.04	.03	Pandora	2,166	.03½	.04	.03½	.03½
1	.02	.01	Partanen Mal.	......	(.01½ bid .02 asked)			
1	3.00	2.50	Pato Cons. G.	......	(2.10 bid 2.50 asked)			
1	.00½	.00½	Pawnee Kirk.	3,000	.00½	.00½	.00½	.00½
1	.17	.10	Paymaster	14,162	.12½	.13½	.13	.13
1	1.75	1.30	Pend Oreille	1,400	1.40	1.40	1.30	1.33
1	1.35	1.05	Perron Gold	4,790	1.12	1.10	1.05	1.05
1	2.35	1.99	Pickle Crow	2,640	2.03	2.05	2.00	2.02
1	2.20	1.55	Pioneer Gold B.C.	1,700	1.65	1.65	1.55	1.60
1	*9.50	8.37	Placer Devel.	......	(.... bid 6.00 asked)			
1	.78	.50	Powell Rouyn	1,350	.55	.57	.51	.51
1	.60	.40½	Premier Gold	2,500	.43	.43	.40½	.40½
1	3.20	2.15	Preston E. Dome	25,500	2.45	2.48	2.15	2.15
No	.20	.15	Prospectors Air's.	500	.15	.15	.15	.15
1	.25	.20	Quebec Gold	1,200	.25	.20	.20	.20
1	.39	.24	Queenston Gold	2,820	.27	.28	.24	.24
No	.06	.02	Quemont	100	.04½	.03½	.03½	.03½
No	.00½	.00½	Red Crest	......	(.... bid .03 asked)			
1	.45	.40	Reeves McDonald	......	(.... bid .50 asked)			
1	.20	.12	Reno Gold	9,000	.18	.20	.18	.20
1	.02½	.02½	Roche Long Lac	......	(.02½ bid .04 asked)			
			S, T, U, V, W, Y					
1	2.05	1.35	San Antonio	3,410	1.70	1.65	1.55	1.60
1	.02½	.01½	Sand River	......	(.01 bid .03 asked)			
1	.18	.09½	Senator Rouyn	1,000	.10	.10	.10	.10
1	.01½	.01	Shawkey	......	(.01 bid .03 asked)			
50c.	.83	.75	Sheep Creek	......	(.75 bid .78 asked)			
1	.98	.71	Sherritt Gordon	2,064	.77	.80	.75	.75
1	6.00	4.70	Sigma Mines	......	(4.75 bid 5.25 asked)			
1	.50	.35	Siscoe	6,170	.40	.40	.35	.36
1	.33	.20	Sladen Malartic	3,600	.25	.24	.23	.23
1	.06	.02½	Slave Lake	35,200	.02½	.03	.02½	.02½
1	.04	.02½	St. Anthony	......	(.... bid .03 asked)			
No	1.96	1.35	Steep Rock	7,500	1.62	1.64	1.54	1.62
No	.01½	.01	Straw Lake	1,000	.01½	.01	.01	.01
1	.13½	.10	Sturgeon River	100	.13	.12½	.12½	.12½
No	1.56	1.25	Sudbury Basin	155	1.50	1.35	1.25	1.35
1	.02¾	.02¾	Sudbury Contact	......	(.01 bid .... asked)			
1	.61	.52	Sullivan Cons.	3,150	.53	.54	.52	.52
1	1.98	1.50	Sylvanite	2,175	1.60	1.60	1.50	1.50
1	2.34	1.91	Teck Hughes	11,135	2.02	2.01	1.91	1.95
1	.03½	.03	Temiskaming	......	(.03½ bid .04 asked)			
1	1.10	.90	Toburn Gold	200	.90	.90	.90	.90
1	.13	.10	Towagmac	500	.10	.10	.10	.10
No	.50	.30	Trans. Resources	1,500	.34	.40	.30	.40
1	.05	.03½	Uchi Gold	3,000	.04	.04	.04	.04
.	40.00	35.00	Uchi Bonds	......	(15.00 bid 30.00 asked)			
1	1.24	.74	Upper Canada	8,400	.90	.92	.82	.83
No	3.70	3.25	Ventures	1,225	3.50	3.55	3.35	3.40
No	4.80	4.20	Waite Amulet	425	4.20	4.35	4.25	4.25
1	.15	.11	Wendigo	2,750	.11	.15	.12	.14
1	.01½	.01½	Wiltsey Coughlan	......	(.01½ bid .02½ asked)			
1	.04	.02¾	Wood Cadillac	......	(.02½ bid .03¾ asked)			
No	2.90	2.14	Wright-Hargreaves	5,800	2.32	2.32	2.14	2.15
No	.05	.03½	Ymir Girl	......	(.03½ bid .04 asked)			

Oil Stocks

Par Val.	Range 1942 High	Low	Company	Sales	Close Mar. 9 (or last)	High for week	Low for week	Close Mar.16
No	.10	.03	Acme Gas & Oil	567	.05	.05	.03	.03
1	.07½	.06	Alta. Pac. Cons.	900	.06	.06	.06	.06
1	.12	.09	Ajax	200	.11½	.09	.09	.09
No	.56	.40	Anglo Canadian	3,225	.43	.43	.40	.40
No	.26	.18½	Br. Dominion	19,437	.23½	.24	.22	.23
No	.07	.05	Brown Oil	......	(.05 bid .07 asked)			
No	1.20	.96	Calgary & Ed.	2,050	1.01	1.01	.96	.96
1	.18	.15	Calmont	1,200	.15½	.15	.15	.15
No	.22	.19	Commoil	......	(.18 bid .20 asked)			
No	.30	.25	Common Pete	......	(.23 bid .32 asked)			
No	.30	.16	Dalhousie	1,750	.16½	.19	.17	.17
No	.17½	.13½	Davies Pete	6,100	.14	.15	.13½	.13½
No	.04	.02½	East Crest	1,000	.02½	.02½	.02½	.02½
No	.30	.20	Federated Pete	......	(.... bid .25 asked)			
No	.85	.60	Foothills	715	.70	.75	.60	.70
No	†.08	.04	Hargal	......	(.... bid .10 asked)			
No	.20	.14	High Sarcee	1,000	.15	.14	.14	.14
No	2.70	2.31	Home	5,575	2.36	2.40	2.31	.240
1	.05	.02	Homestead O. & G.	3,500	.04½	.04½	.03½	.03½
No	.04	.03½	McD. Segur	......	(.... bid .04 asked)			
1	.19	.13	Model	1,000	.15	.13	.13	.13
25c.	.04	.04	National Petroleum	......	(.04 bid .05 asked)			
1	.05	.03½	Nordon	1,000	.05	.05	.04	.04
No	.03	.01¾	Oil Selections	1,000	.02¾	.02½	.02½	.02½
No	.40	.26	Okalta	500	.31	.26	.26	.26
No	.03½	.02½	Pacalta	5,500	.03	.03	.02½	.02½
1	*.27	.15	Pacific Petroleum	......	(.... bid .35 asked)			
No	.25	.25	Petrol Oil & Gas	......	(.28 bid .60 asked)			
No	19.75	17.00	Royalite	50	18.00	18.00	18.00	18.00
No	.05	.02½	South End	2,000	.05	.05	.04	.05
No	.17	.15	South West Pete	......	(.15 bid .... asked)			
5	1.60	1.00	Texas Can.	200	1.10	1.02	1.00	1.00
No	.04½	.03½	United Oils	3,000	.03½	.04	.04	.04
1	.11	.05½	Vermilata	3,500	.09½	.09½	.08	.08
1	.22	.15	Vulcan	......	(.... bid .20 asked)			

Vancouver Stocks

Par Val.	Range 1942 High	Low	Company	Sales	Close Mar. 9 (or last)	High for week	Low for week	Close Mar.16
1	.05½	.03	Bayonne Cons.	1,000	.04	.03	.03	.03
No	9.20	7.20	Bralorne	325	7.30	7.50	7.30	7.50
1	*.00½	.00½	Bridge River Cons.	......	(.... bid .... asked)			
1	1.74	1.05	Cariboo Gold	2,435	1.15	1.15	1.05	1.10
No	.01	.00½	Dentonia	......	(.00½ bid .... asked)			
No	.00¾	.00½	Fairview Amal.	......	(.... bid .00½ asked)			
1	*.15	.10	George Copper	......	(.12½ bid .... asked)			
1	.06½	.05½	Golconda	......	(.05 bid .... asked)			
50c.	.16	.14	Gold Belt	500	.14½	.14	.14	.14
50c.	.18	.14½	Grandview	......	(.14½ bid .15 asked)			
1	.03½	.02	Grull Wihksne	......	(.01 bid .02 asked)			
1	.35	.25½	Hedley Mascot	300	.25½	.26	.26	.26
No	.00½	.00½	Home Gold	......	(.00½ bid .00½ asked)			
1	*.01	.00½	Indian Mines	......	(.01½ bid .... asked)			
50c.	1.06	1.00	Island Mountain	100	1.00	1.00	1.00	1.00
1	.30	.29	Inter'l Coal	......	(.29 bid .... asked)			
50c.	.22	.15	Kootenay Belle	......	(.15 bid .17 asked)			
1	.20	.20	McGillivray Creek	......	(.... bid .17 asked)			
No	.01	.01	Minto Mines	......	(.00½ bid .01 asked)			
50c.	.02	.01½	Nicola	......	(.... bid .01½ asked)			
1	.09½	.08½	Pacific Nickel	......	(.08 bid .... asked)			
1	1.75	1.40	Pend Oreille	......	(1.30 bid .... asked)			
1	2.15	1.52	Pioneer Gold	500	1.55	1.60	1.52	1.60
No	.01½	.01½	Premier Border	......	(.01½ bid .01½ asked)			
1	.60	.40	Premier Gold	1,400	.42	.42	.41	.42
No	.60	.33	Privateer Mines	3,700	.35	.35	.34	.34
1	.02	.01½	Quatsino Copper	......	(.01½ bid .... asked)			
1	.50	.37	Reeves McDonald	......	(.27 bid .... asked)			
1	.21	.13	Reno Gold	1,500	.18	.21	.19	.21
50c.	.00½	.00½	Salmon Gold	......	(.... bid .01 asked)			
50c.	.84	.75	Sheep Creek	1,000	.77	.77	.75	.75
1	.71	.60	Silbak Premier	......	(.... bid .70 asked)			
No	*.00½	.00½	Silvercrest	......	(.... bid .... asked)			
50c.	.06	.06	Surf Inlet	......	(.06 bid .... asked)			
No	*.03	.02	Taylor Bridge	......	(.... bid .04 asked)			
20c.	.02½	.01	Wellington	......	(.01 bid .01½ asked)			
1	.04½	.02	Whitewater	1,000	.02	.02	.02	.02
No	*.08	.03½	Ymir Yankee Girl	......	(.... bid .... asked)			

Oil Quotations

Par Val.	Range 1942 High	Low	Company	Sales	Close Mar. 9 (or last)	High for week	Low for week	Close Mar.16
1	.07	.05½	Alta. Pac. Cons.	538	.06	.06	.05½	.05½
No	.55	.40	Anglo Canadian	200	.41	.41	.41	.41
No	.03	.03	Anaconda	1,000	.03	.03	.03	.03
No	.24	.19	Brit. Dominion	......	(.21 Mar. 6)			
No	*.07½	.05	Brown Oil	......	(.... bid .... asked)			
No	1.17	.95	Calgary & Ed.	2,650	1.02	1.02	1.00	1.00
1	.17	.14	Calmont	1,110	.15	.15	.15	.15
No	.23	.23	Commoil	......	(.18 bid .23 asked)			
No	.28	.27	Commonwealth	......	(.25 bid .26 asked)			
No	.22	.15	Dalhousie	......	(.15 Mar. 3)			
No	.16½	.13	Davies Pete	500	.16½	.13	.13	.13
No	.02½	.02½	East Crest	......	(.... bid .... asked)			
No	*.36½	.21	Federated Petroleum	......	(.... bid .... asked)			
No	.85	.70	Foothills	100	.75	.70	.70	.70
No	.20	.15	High Sarcee	......	(.15½ Mar. 6)			
No	2.67	2.30	Home Oil	1,625	2.35	2.40	2.30	2.30
No	.01½	.01½	Madison	1,000	.01½	.01½	.01½	.01½
No	.01½	.01½	Marjon Oil	3,000	.01½	.01½	.01½	.01½
No	.04½	.03½	McD. Segur Ex.	1,000	.03½	.03½	.03½	.03½
No	.04½	.03½	Mercury	1,500	.04½	.03½	.03½	.03½
No	.07	.06	Mill City Pete	......	(.05½ bid .... asked)			
1	.20	.15	Model	1,000	.15½	.15	.15	.15
25c.	.04	.04	National Pete	2,000	.04	.04	.04	.04
1	.03	.03	Nordon	......	(.03 bid .... asked)			
No	.40	.34	Okalta	......	(.... bid .30 asked)			
No	.03	.03	Pacalta Oil	......	(.02½ bid .... asked)			
1	.15	.15	Pacific Petroleums	......	(.15 bid .... asked)			
No	.05½	.03½	Royal Canadian	1,000	.04	.03½	.03½	.03½
No	†.10½	.06	Royal Crest	......	(.... bid .... asked)			
No	18.63	17.00	Royalite	......	(16.00 bid 18.00 asked)			
No	.05	.03½	South End	......	(.04 bid .05 asked)			
No	.20	.15	Southwest Pete	1,000	.15	.15	.15	.15
1	*.05½	.02½	Spooner	......	(.03 bid .... asked)			
25c.	.09½	.08	Sunset Oil	1,000	.08½	.08	.08	.08
No	.04½	.03½	United	2,000	.04	.03½	.03½	.03½
No	.04	.04	Vanalta	1,000	.04	.04	.04	.04
1	.20	.15	Vulcan	......	(.... bid .15 asked)			

*Quotations for 1941. † 1940.

Winnipeg Stocks

(Transactions from Mar. 9 to Mar. 14)

	Sales	High for period	Low for period	Close Mar. 14
Beaver, Lumber, c.	10	3.00	3.00	3.00
Monarch Life	40	34.00	34.00	34.00
Thompson Lundmark	200	.12	.12	.12
United Grain Growers	4	11.50	11.50	11.50

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Grouped Inc.	..	4⅜
Beav. Lumber p	103	..	Home Invest.	25¼	..
Can. Indemnity.	150	..	Nor. C. Mtge. un	5½	
Can. Airways	1	..	North. Trusts	..	7½
Corr. P. Box	.60		Traders Bldg.	44	..
Cres. Cream., p.	..	12	West. Brew.	1⅛	2⅛
Dom. Envelope c	..	9½	West. Grain, p.	..	7
Dom. Envelope p	96	99½	West. Steel	5¾	9¼
Fed. Grain c.	.35	1¼			

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Mar. 17	4,800	9,700	146,000	......
Mar. 16	5,300	3,700	107,000	......
Mar. 14	3,000	1,700	59,000	3,200
Mar. 13	6,400	3,200	95,000	2,675
Mar. 12	12,600	4,700	129,000	6,500
Mar. 11	7,100	3,400	111,000	10,098

Government Bonds

Mar. 18, 1942 (Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask.	Approx. Yld.
Dominion of Canada Bonds				
1½	May '42	100	...	...
2	June '42	100⅛	...	...
3	Oct. '42	101½	101¾	.41
2½	June '43	101½	101¾	1.04
5	Oct. '43	105½	105¾	1.31
2	June '44	100¾	101½	1.42
a2½	Jan. '44	99	99½‡	2.39
4½	Oct. '44	106¾	107½	1.62
2½	Nov. '44	102	102½	1.52
a2½	Aug. '45	98½	99‡	2.80
a4	Oct. '45	103½	104	b1.44
2	Mar. '45	100½	101	1.65
2	Dec. '46	99	99½	2.11
4½	Feb. '46	108¾	109½	1.96
3½	June '49	103	103¾	b2.31
3½	Oct. '49	102½	103	b2.31
3½	Nov. '51	101¾	102½	b2.84
3½	Feb. '52	101½	102½	↓2.93
5	May '52	100¾	100¾‡	b.50
4	Oct. '52	105¾	106½	b2.75
3	June '51	99½	100½	2.96
3	Oct. '52	99	99¾	3.03
3	June '55	99½	100	3.00
4½	Nov. '56	106¾	107½	b2.80
4½	Nov. '57	107½	108½	b2.90
3	June '58	99½	100	3.00
4½	Nov. '58	108¾	109½	b2.92
4½	Nov. '59	109¾	110½	b2.99
a4	Oct. '60	104	‡104¾	b3.35
a3½	Jan. '61	97	98‡	3.39
3½	June '66	101	101¾	b3.10
a3e	Jan. '67	94	95‡	3.30
a3e	Nov. '68	93¾	94‡	3.30
†3	Perpet'l.	93¾	94½	3.17
Dominion Guarant'd Bonds Can. Nat'l. Railways:				
2	Feb. '43	100½	101	.95
2½	Jan. '46	100¾	101½	1.85
3	May '44	102½	103½	1.50
3	Dec. '50	99½	100½	2.93
3	Feb. '53	98½	99½	3.05
3	Jan. '59	98	99	3.08
*4½	Sept. '51	115	116½	2.59
*4½	Feb. '56	116½	117½	2.98
4½	July '57	116½	117½	3.06
4½	June '55	117¾	119	3.03
5	Feb. '54	117½	118½	3.14
*5e	July '69	116½	117½	...
*5e	Oct. '69	119	120½	b2.60
*5e	Feb. '70	119	120½	b2.68
Grand Trunk Pacific Rly.:				
3	Jan. '62	99½	101	2.93
Provincial Gov't. Bonds — New Brunswick:				
3	Oct. '51	91½	93	3.88
3½	Aug. '49	93	95	4.04
3½	June '56	92	94	4.05
c4	Nov. '47	101	104	b2.84
c4½	Apr. '61	104½	107½	3.94
c5	Jan. '60	108	111	4.13
Nova Scotia:				
3	Jan. '52	95½	97½	3.29
3½	June '56	98	100	3.25
3½	Nov. '50	99½	101½	3.30
c4½	Sept. '52	106	108	b2.75
c4½	Nov. '60	110	113	3.55
c5	Mar. '60	117½	119½	3.54
Ontario:				
2½	May '45	100	101	2.17
3	Apr. '48	99	100	b3.00
3	Nov. '50	99	100½	3.00
3½	Nov. '51	100	102	b2.95
3½	May '55	99½	102	b3.02
*4	June '62	107	110	3.32
4½	June '50	109	110	3.13
*4½	Jan. '62	114	116	3.39
5	Oct. '48	110½	111¾	3.00
*5	Dec. '60	120½	122½	3.38
5½	July '46	109	110½	2.90
Ont. Hydro Commission:				
3	Aug. '48	100	101	b2.74
3½	Feb. '53	100	101	b3.10
3½	Apr. '47	102½	104½	2.54
Prince Edward Island:				
4	Mar. '54	100	102	3.80
Quebec:				
3	Nov. '47	97½	99	3.19
3½	Mar. '48	98½	100	3.25
3½	Mar. '59	98	99½	3.54
4	Nov. '52	102	103½	b3.54
3½	Feb. '55	101	102½	b3.45
4½	Aug. '58	105	107	3.64
4½	Jan. '63	110	112	3.67
Alberta:				
4½	Oct. '51	67	..	d
4½	Oct. '56	60	64	d
4	Dec. '54	57	60	d
*5	Oct. '59	63	67	d
c5½	Apr. '52	66	68	d
6	Mar. '47	70½	72½	d
British Columbia:				
c4	Dec. '57	101	103	3.78
*4½	Jan '51	105	108	3.44
c4½	Oct. '53	105	108	3.64
c5	Apr. '54	111	113	3.63
5½	Feb. '45	102	104	4.06
6	Feb. '47	106	108	4.21
Manitoba:				
c4	Dec. '57	97	100	4.00
c4½	Dec. '56	99	102	4.31
*5	Dec. '59	102	105	4.59
5½	Oct. '55	102	104	5.09
6	Apr. '47	102	104	5.10
Saskatchewan:				
4	Sept. '54	76	78	6.53
4	Nov. '60	75	77	6.05
c4½	Oct. '51	87	90	5.88
c4½	Mar. '60	84	86	5.73
5	Aug. '58	86	88	6.17
5½	Oct. '52	92	93½	6.33
6	Mar. '52	93	94½	6.74

*-Payable Can., N.Y. and £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds. ↓-Calculated to 1950 average maturity.

Unlisted Stocks

Mar. 17, 1942 (Furnished by A. J. Pattison, Jr. & Co., Toronto)

Industrials	Bid	Ask.		Bid	Ask.		Bid	Ask.
Acme Farm., pf.	47	51	Moirs, Ltd.	18½	21	Cons. Fire Cas.	3¾	..
Andian National	27½	29½	Neilson, Wm., p.	100	..	Continental L.	34	38
Anglo C. Tel., A	6½	7½	N. Meth. Ldy., p	61	65	Crown, fully pd.	265	285
Atlas Steel	17½	19	Ont. Tobacco, p.	18	19½	Dominion Fire	138	..
Barrymore, pfd.	38	..	Pac. C. Term., c	..	7	D. of Can. Gen.	112	120
Brant. Roof.	2½	..	Prov. Paper, pf.	99½	102	Empire, 25% pd.	5	6
Brand. Hen., c.	3	4½	Quinte Milk	2½	3½	Excelsior 38% pd	70	74
B. C. Pulp, c.	10	11½	Stand. Fuel, p.	50	54	Great-West Life.	200	210
Do., pfd.	67½	72	Stedman, pf. $50	54	57	Federal, 25% pd.	52	56
B. C. Sugar	64	68	Sutton Horsley	½	1	Halifax Fire	14¾	16
B. C. Tel., 1st p.	110	116	Tor. Carpet, c.	53	..	Imperial Life	270	285
Brown, com.	1½	1¾	Do., pfd.	66	71	Manufac. Life	217	221
Do., pfd.	27	29	Un. F. Co-op.	2¾	3½	Monarch Life	33	35½
Burns & Co., A	4½	5½	Un. Steel, A pf.	20½	22	National Life	10	16
Do., B	2½	3	Viceroy Mfg., c.	12	..	Sov. L. 25% pd.	12	..
Can. Co-op. Wl.	8	..	**Trusts & Loan Stocks:**			Sun Life	225	250
Can. Indust., A	140	..	Brit. Mtge.	122	132	Tor. General	4½	5¾
Can. Ing. Rand	70	76	Brockville Tr.	42½	..	Wellington Fire.	58	..
Can. Mot. L.A.B.	5	..	Capital Tr.	28	32	Western Assce.	..	41
Can. Tube, 1st p	77	82	Comm. Fin., c.	3¾	..	**Theatre Stocks:**		
Chase, A. W., p.	17½	19	Grey&Br. Tr. $50	43	..	Allen's, St. Cath., units	53	57
Colonial Realty	2½	..	Guaranty Trust	100	104	Loew's London p	2½	3¾
Colonial Steam.	33½	36	Guelph & O. $50	51	54	Mansf. Theat., p	30	31½
Corr. Pap. Box c	1½	2	Indust. Mtge.	25	..	Para., Kitch., p.	50	..
Copeland Fl. un.	13	15½	Lambton Loan	30	33	Do., Oshawa, c	7½	9½
Dunlop T. p. $25	18	20	Midland Loan	14	16	**Investment Trust Shares:**		
Easy Wash p $10	10	11½	Premier Trust	37	41	Can. Investors	4	5
Galt Brass, c.	9½	..	Sherbrooke Tr.	120	..	Inv. Found. un.	42½	44½
Goderich Elev.	6	7	Sterling Trust	51	56	Sec's. Hold., pf.	18½	20
Guard. Realty, p	10	12½	Th. Can. Inv. Tr.	1¾	1½	United Corp., A	19	21½
Guelph Carp., c	16½	18	Traders Fin. A c	3	5	Do., B	4½	4¾
Gurney Fdry. p.	1½	1¾	Do., A pfd.	57	64	**Power Issues:**		
Hayes Steel, c.	14½	15½	Trusts&Gr., new	33	35	Can. W. N. Gas	24	27
Hi'land Dairy, p	49	..	Victoria Trust	65	70	Do., pfd.	101	..
Inglis, John	4	5	Waterloo Trust	99	..	Gt. Lakes Pr., p	101	105
Ingram & Bell p	93	..	**Insurance Stocks:**			Int. Util. $1.75 p	9½	14
Kingst. Ship. un	37	39	Canada Life	350	375	Do., $3.50 pf.	30	..
Do., com.	6½	7¾	Brit. Amer.	50	53	Mtl. Isl. Pwr. p.	43	..
Loblaw, Inc., c.	11½	12½	Canadian Fire	80	82	Nor. Ont. Pr. p.	70	75
Minn.&Ont. P. c	4½	4¾	Confed. 30% pd.	125	135			
M'row Screw, p.	103	105						
Do., com.	13	16						
Morrison Br. un.	4½	5¾						

Unlisted Mines

Toronto, March 17, 1942

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Albany R (Old)	.03	.04½	Dona Pat	.01	.02	McMar'ac	.08	.12	Queb Mn	.14	.16
(New)	.07	.10	Eastward	.06	.10	Mof Hal n	.01	.02	Rand Ml	.12	.14
Amal Kirk	.03½	.04½	Elmos	.05	.06	Mosher	.04	.06	Red Lake	.00¾	.01½
Anoki	..	.03	Franco	.17	.20	McManus	..	.01½	Ritoria	.01	.02
Aquarius	.15	.18	Galore	.00½	.01½	Nat Mal	.21	.23	Rouge	.01½	.02
Arjon	.02½	.03½	Goodrock	.20	.22	Nickel O	1.00	1.15	S.A.G.A.	.40	.75
Armistice	.05	.07	Hayes Cad	.02¾	.03½	Norbeau	.16	..	Sachigo	4.50	5.00
Argosy	.03	..	Hoyle new	.09	.11	Northland (1940)	..	.02½	Shenango (New)	.07	.10
Area	.02	.03	Hugh PaP	.02½	.03½	Norwin	.02½	.03½	Sheldon	.03½	.04
Athona (New)	.00½	.01½	Hutch Lke	.01	.01½	N Ribago	.00½	.01	Skynner	.01½	.02
Barb Lard	.02	.03	Kirk Town	.07	.09	Numalake	.09	.13	Smelters	..	.01
Brock	.04	.06	Kewagama	.01	.02	Oklend	.03	.04	Springer	.11	.13
Calder Bo	.02	.03	Kirk Gate	.00½	.01½	O'Leary M	.03	.04	Stadacona	.04	.08
Can Rad	.08	.09	Lacoma	..	.01	Opemiska	.05	.07	Thomson	.09	.11
Central M	.01½	.02	Laguerre	.04	.06	Orpit	..	.04	Union Mn	.02½	.04
Cheminis	.02	.03	Lake Duf	.14	.18	Pascalis	.14½	.16	Wesley	.01	.01¾
Coin Lake	.01½	.02½	Lake Gen	.05	.05¾	Pontiac R (Old)	.02	.04	Y David'n	.15	.18
Cons Chib	.04	.06	Lw Pete	.14½	.18	Pelangio	.01	.02			
Delpine	.06½	.08	Magnet C	.37	.41	Polaris	..	.03			
Desantis (New)	.08	.09	Magnet L	.10	..	Propri'y	3.30	3.60			
			Martin Bir	.02	.02½	Presdor	.03½	.04½			
			Mata Can	.02	.03						
			Mata Con	.12	.14						

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)
Mar. 17, 1942

	Int. Rate %	Due	Bid Mar. 17	Asked	Bid Mar. 10
Public Utility Issues:					
▲Alg. Cen. H.B.R.	5	'59	14	16	14½
†Assoc. Tel. & T.	5½	'55	62½	65½	64½
B. C. Power	4½	'60	...	100	97
B. C. Tel.	4½	'61	104½	106½	104½
†Calgary Pwr.	5	'60	107	109	107½
Do.	5	'64	103	105	103
†Can. Nor. Pwr.	5	'53	102	104	102
*Dom. Gas & El.	6½	'45	103	105	102½
Gatineau Pwr.	5	'49	100½	102½	101
*Do., A	3¾	'69	98½	100½	98½
↓Do., B	3¾	'69	98	100	98½
Gt. Lakes Pwr.	4½	'56	100	102	100½
Do.	5	'57	96	99	95½
*Int. Hydro-El.	6	'44	33	36	32
▲Inter. Power	6	'55	100½	102½	100½
L. St. Law. Pwr.	5	'55	100	102	100
Macl'n-Que. Pr.	4	'59	100	102	100½
Mtl. L. H. & Pr.	3½	'56	102½	104½	102
Do.	3½	'73	101½	103½	100½
Do.	3½	'63	102	104	101
†Mtl. Tramways	5	'51	100	102	100
†Do.	5	'55	73	76	73
Nat. Lt. & Pwr.	6	'49	101½	103½	101½
N. S. Lt. Pr.	4	'57	101	...	101
Ottawa L.H.&P.	4	'57	101½	...	102
Ottawa V. Pwr.	5	'59	100	102	100
†Power Corp.	4½	'59	90½	93½	91
Quebec Pwr.	4	'62	102	104	102
*Saguenay P.	4½	'66	106	109	106
↓Do., B	4½	'66	105	108	105
St. Maurice Pr.	4½	'70	102	104	102
Shaw. W. & Pr.	4	'61	102	104	102
Do.	4	'69	102	104	102
Union Gas	4½	'50	101	103	101
*Twin C. R. Tr.	5½	'52	83	86	82
†United Secs.	5½	'52	42½	45½	42
‡Wpg. El. ser. A.	5	'65	83	86	83
Do., B	5	'65	68	71	67½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	74½	77½	71
Do., C.O.D.	5	'53	74½	77½	71
Acadia Sugar	4½	'55	101	...	101
Do.	6	'54	99½	102½	99½
†Alta. Pa. Grain.	6	'46	103	...	103
Algoma Steel	5	'48	100½	102½	100½
Atlantic Sugar	4	'51	100½	...	100½
†B. C. Pulp & P.	6	'50	91	94	91
‡†Do.	7	'50	105	...	105
*Brown Co.	5½	'46	76½	79½	76½
Burns & Co.	5	'58	69½	72½	69
Canada Cement	4½	'51	102½	104½	102
Canada Electric	4½	'65	95½	98½	96½
Can. Paper	4½	'52	101	...	101
Can. Steamship.	5	'57	100½	102½	100½
Can. Canners	4	'51	101	103	101½
*Can. Int. Paper.	6	'49	105	107	105
‡Can. Locomotive	6	'53	100½	103½	100½
‡†Candn. Vickers	6	'47	93½	96½	91
C. P. R.	3½	'51	96	98	95½
Do.	4	'49	100	102	99½
Do.	6	'42	99½	...	99½
Col. Steamships	6	'54	100½	102½	99½
†Consol. Paper	5½	'61	76½	79½	75½
Dom. Coal	4½	'52	99½	102½	99½
Dom. Scott. Inv.	4	'52	98½	101½	98½
Dom. Stl. & C.	6½	'55	104½	107½	104½
Dom. Tar	4½	'51	102	104	101½
Dom. Woollens.	6	'53	94	97	94
†Donnacona Pap.	4½	'56	77	80	77½
*Dryden Pap.	6	'49	100	103	100
†East. Dairies	6	'49	80	83	80
Famous Players	4½	'51	97½	100½	97½
†Federal Grain	6	'49	101½	...	101½
†Fraser Cos.	6	'50	101½	...	101½
Galt Brass	5	'50	93	..	93
Gen. Stl. Wares	4½	'52	100½	103½	100½
*Gt. L. Paper	5	'55	93½	96½	93½
*Gurney Fdry.	5½	'49	90	93	90½
†Gypsum Lime	5½	'48	101	...	101
Ham. By-Pr. C.	5	'55	101	104	101
Do.	6	'56	100	103	100
Ham. Cotton	4½	'50	100½	102½	100½
Inter-City Bak.	5½	'48	102	104	102
Indust. Accept.	4	'52	76½	79½	76½
Ins. Ex. Bldg.	3	'51	44½	47½	44
*Inter. P. Nfld.	5	'68	97½	100½	97½
*Inv. Bond & Sh	5	'47	42	45	42
†Kingston Elev.	6	'50	104½	107½	104½
Lake St. J. P.	5½	'61	88	91	88
Do.	5	'61	70½	73½	70½
Legare	6	'61	88	91	88½
Maple L. M.	3	'58	76½	79½	76½
Man. Sugar	5	'60	100	103	100
Massey-Harris	4½	'54	93	96	92½
McColl-Fron.	4½	'49	102	104	101½
McCormicks	4	'52	95½	98½	95½
Do.	4½	'52	104	106	104
Mercury Mills	5	'59	94	97	94
Mersey Paper	5	'57	97	100	97
†Do.	6	'48	99½	102½	99½

Corporation Bonds (Cont'd)

	Int. Rate %	Due	Bid Mar. 17	Asked	Bid Mar. 10
*M. & O. Paper	5	'60	100	102	99½
Moirs Ltd.	6	'53	87	90	88½
‡Mtrl. Drydocks.	6	'48	80	...	80
Montreal Apts.	4	'54	55	58	54
Nat. Grocers	4	'47	101½	...	101½
N. S. Stl. Coal	3½	'63	81	84	81
Price Bros.	5	'57	99	102	99
Do.	4	'57	83½	86½	83½
*Prov. Paper	5½	'47	105	108	105
Reliance Grain.	4½	'52	96	99	96
†Restigouche Co.	6	'48	101½	...	101½
Rolland Paper	4½	'51	101	...	101
Ruddy, E. L.	6½	'48	90	93	89
Silv. Dairies	6	'66	93½	96½	93½
Simpsons, Ltd.	4½	'51	101½	103½	101
Smith, Howard.	4½	'51	102	104	102
Stand. Lime	6	'44	98	..	98
Sterling Coal	6	'45	97½	100½	97½
Stop Shop	3	'47	58	61	58
United Corp.	5	'53	94	97	94
*United Gas	5½	'48	105	108	105
United Gr. Grs.	5	'48	100½	...	100½
†Western Grain	6	'49	67	70	66

*Payable in Can. or U. S.
†Payable in Can. U. S. or U. K.
°Payable in U. S.
↓Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & McDonnell, Toronto)

Bid and asked as at Mar. 17, 1942, and change in bids from previous week.

Miscellaneous Stocks:	Bid	Ask.	Chge.
†Allens Tor. Th., p.	32½	35	+½
Atlas Steels, 7% pfd.	105½	106½	+½
Brinton-Peterboro Cpt.	39½	..	unch
*Can. Gen. Rubber, pfd.	19	23	—½
Can. Mach., new c.	8	..	+½
C.P.R. 4% pfd. (£ par)	2	2¾	+½
Cap. Wirecloth, p.	19½	22½	+½
Cawthra Apts., pfd.	1.50	2.60	—½
Century Finance c.	..	28	unch
Claude Neon, pfd.	1¾	2	+½
Comm. Life, 10% pd.	6½	7½	+½
Dom. Alloy & Steel, pf.	.05	.25	—.05
Do., com.	.05	.25	—.05
Dom. Life, 70% pd.	178	200	+1
Dover Industries	6	6½	unch
Eastern Steel, pfd.	19¾	21	+½
†Fort W., Hotel, units	45½	49½	—½
Hart Battery, com.	4.15	4.60	+.15
Imperial Varnish, c.	8½	9½	+½
Indust. Accept., 5% p.	61½	65	+½
London & West. Trusts	32	34	—1½
Mount Royal, new com.	3.10	3.65	+.10
Murphy Paint, com.	8½	9½	—½
Do., pfd.	88	90	—½
Nat. Hosiery, com.	.70	.90	+.05
Do., pfd.	.80	1.15	+.05
†N. Amer. Elevator, p.	79	..	—½
Do., 2nd pfd.	26	..	+½
St. John Dry D., p.	99½	101½	+½
Seal-o-Sac	.25	.75	—.45
Sterling Rubber, 6½% p.	..	63	unch
Tip Top Tailors Inc., un.	11	13¾	—½
Traders Finance rts.	9½	10¾	—½
Viceroy Mfg., 6% pfd.	22	23½	—½
Waterloo Mfg., new c.	.65	.90	unch
Wentworth Radio, p.	2	2¾	+½
West. Can. Hydro, pfd.	10½	11½	—½
West. Life, 10% pd.	9	10½	—½
York Trading, com.	2½	5½	—½

*Issue carries arrears.
†Currently paying on arrears.

Municipal Bonds

Mar. 17, 1942

	%	Due	Bid	Ask	Yld. %
†Halifax	5	1961	113.00	115.00	3.90
Hamilton	5	1950	109.25	112.25	3.28
Montreal	5	1945	93.00	95.00	6.80
Ottawa	4½	1945	104.00	106.50	2.45
†Quebec	5	1959	109.00	112.00	4.17
Saint John	5	1950	104.00	106.00	4.17
†Toronto	4½	1955	111.00	114.00	3.18
†Vancouver	5	1950	100.00	104.00	4.40
Winnipeg	5	1944	100.75	103.87	3.00

†Payable Can. & N.Y.

Investment Trusts

	Bid	Asked
Affiliated Funds	1.84	2.02
Can. Amer. Trust	2.75	3.50
Can. Inter. Trust	3.60	4.40
Can. Invest. Fund	2.85	3.20
Corporate Investors	5.29	5.70
Trans-Canada	8.70	9.55

Annual Meetings

Mar. 23—de Havilland Aircraft Ltd. .... Downsview, Ont.
Mar. 23—Island Lake Mines .... Winnipeg
Mar. 23—Jowsey Is. Gold .... Winnipeg
Mar. 24—Modern Containers ..... Toronto
Mar. 24—Orange Crush .... Toronto
Mar. 25—Montreal Cottons ...... Montreal
Mar. 25—National Breweries ... Montreal
Mar. 25—G. Tamblyn .... Toronto
Mar. 26—Robert Mitchell .... Montreal
Mar. 27—Moore Corp. .... Toronto
Mar. 27—Tooke Bros .... Montreal
Mar. 28—Goldale Mines .... Toronto
Mar. 28—Macassa Mines .... Toronto
Mar. 30—Ambrican Investments . Toronto
Mar. 30—Can. Malartic Gold ..... Toronto
Mar. 30—National Petroleum ..... Calgary
Mar. 31—Coniaurum Mines .... Toronto
Mar. 31—Massey-Harris Co. ...... Toronto

Mining Dividends

	Rate	Mar. 16	Yield %
Anglo-Huronian	▲10c	2.20	..
Argus Interests	†4c	.35	..
Aunor Gold	16c	1.12	14.3
Bayonne	†1c	.03	..
Beattie Gold	16c	.72	22.2
Berens River	†3c	.60	..
Bralorne	80c+40c	7.10	*16.9
Broulan Porc.	12c	.42	..
Buffalo Ankerite	▲30c	2.25	..
Bulolo Gold	▲$3	5.00	..
Can. Malartic	8c	.33	24.2
Cariboo Gold	16c+1c	1.10	*15.4
Central Patricia	16c+4c	1.05	*19
Chesterville	15c	.98	..
Cochenour Willans	6c	.55	10.9
Conlagas	▲17½c	1.15	..
Coniaurum	16c	.75	21.3
Cons. Smelters	$1+$1.50	37.75	*6.6
Delnite	▲6c	.40	..
Dome Mines	$1.20	14.25	..
East Malartic	5c	1.42	..
Falconbridge	20c	3.05	..
Francoeur Gold	▲4c	.26	..
Gold Belt	▲2c	.14	..
Grandview	▲1½c	.14½	..
Grull Wihksne	†1½c	.02	..
Hallnor	40c	2.30	14.2
Hard Rock	▲3c	.45	..
Hedley Mascot	8c	.28	..
Hollinger	65c+45c	6.90	*15.9
Howey Gold	▲4c	.17	..
Hudson Bay	$2	24.50	..
Inspiration	†2c	.25	..
Inter. Nickel, com.	$2	31.50	6.3
Island Mountain*	▲18c	1.00	..
Jason	4c	.20	..
Kerr-Addison	▲35c	3.40	..
Kerr Lake	5c	.22	..
Kirkland Lake	10c+1c	.50	*22
Kootenay Belle	▲8c	.16	..
Lamaque Gold	40c+15c	3.65	*15
Lake Shore	80c	8.65	9.2
Leitch	8c	.46	..
Little Long Lac	▲20c	1.00	..
Macassa	32c+3c	2.40	*14.6
Madsen R. Lake	▲3c	.35	..
Malartic Gold	10c	1.40	..
McGillivray Coal	2c	.22½	..
McKenzie Red L.	12c	.75	16
Moneta	8c	.25	..
McIntyre-Porc.	$2.22+$1.11	38.50	*8.6
MacLeod-Cockshutt	10c	1.30	..
Naybob Gold	4c	.17	..
Negus	2½c	.37½	..
Nipissing	15c	.92	16.3
Noranda	$4	43.00	9.3
North Empire	▲40c	3.75	..
O'Brien Gold	3c	.60	..
Pamour Porc.	18c	.70	..
Pato Cons.	20c+2c	2.50	*8.9
Pend Oreille	†6c	1.33	..
Perron Gold	16c+4c	1.05	*19
Pioneer, B.C.	40c	1.60	25
Pickle Crow	30c	2.02	14.8
Placer Develop.	$1.20	8.37	14.4
Premier	8c	.40½	19.7
Preston E. Dome	20c	2.15	9.3
Privateer Mines	12c+4c	.34	..
Quebec Gold	2c	.20	..
San Antonio	14c+6c	1.60	*12.5
Sheep Creek	16c+1c	.77	*22
Sherritt Gordon	10c	.75	..
Sigma Mines	▲30c	5.00	..
Silbak Premier	16c	.65	24.6
Siscoe	8c	.36	22.2
Sturgeon River	2c	.12½	..
Sudbury Basin	▲5c	1.35	..
Sullivan Cons.	▲8c	.52	15.4
Surf Inlet	▲2c	.06	..
Sylvanite Gold	20c	1.50	13.3
Teck-Hughes	40c	1.93	20.7
Toburn	12c+6c	.90	*20
Upper Canada	▲14c	.83	..
Ventures	▲20c	3.49	..
Waite Amulet	40c	4.25	..
Wendigo	3c	.14	..
Wright-Harg.	40c+20c	2.15	*27.9
Ymir Yankee	▲2c	.04¾	..

▲Paid in 1941. *Yield including bonus. †Initial.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass, p.	$1.75	Apr. 1	Mar. 16
Asbestos Corp.	15c	Mar. 31	Mar. 1
Do., extra	15c	Mar. 31	Mar. 1
Amer. Cyan., A, B	†15c	Apr. 1	Mar. 12
Do., pref.	†12½s	Apr. 1	Mar. 12
Assoc. Brew.	25c	Mar. 31	Mar. 10
Do., pref.	$1.75	Apr. 1	Mar. 10
Bralorne Mines	20c	Apr. 15	Mar. 31
Do., extra	10c	Apr. 15	Mar. 31
B.C. El. Pr. & G. p	$1.50	Apr. 1	Mar. 20
Bell Telephone	$2	Apr. 15	Mar. 23
Brazilian Tr., pf.	$1.50	Apr. 1	Mar. 16
Brit. Amer. Assur.	$1.50	Apr. 1	Mar. 27
Bk. of Nova Scotia	$3	Apr. 1	Mar. 16
Belding Cort.	$1	Apr. 1	Mar. 14
Do., pref.	$1.75	Apr. 1	Mar. 14
Broulan Porc.	[illegible]	Mar. 31	Mar. 10
Beattie Gold	4c	Mar. 20	Mar. 4
B. C. Power, A	50c	Apr. 15	Mar. 31
Burlington Steel	15c	Apr. 1	Mar. 17
Brant Cordage, p.	32½c	Apr. 15	Mar. 20
Brew. & Distillers	■50c	May 20	Apr. 30
Do., extra	■10c	May 20	Apr. 30
Brit. Amer. Oil	25c	Apr. 1	Mar. 12
Building Prod.	17½c	Apr. 1	Mar. 16
Canada Packers	$1	Apr. 1	Mar. 16
Can. Perm. Mtge.	$2	Apr. 1	Mar. 14
Can. Nor. Pwr.	■15c	Apr. 25	Mar. 31
Do., pref.	■$1.75	Apr. 15	Mar. 31
Cariboo Gold	4c	Apr. 1	Mar. 4
Can. Celanese	25c	Mar. 31	Mar. 17
Do., extra	25	Mar. 31	Mar. 17
Do., pref.	$1.75	Mar. 31	Mar. 17
Do., participating	$1.15	Mar. 31	Mar. 17
Canada Bread, p.	$1.50	Apr. 1	Mar. 20
Do., B pref.	62½c	Apr. 1	Mar. 20
Canada Cycle	30c	Mar. 31	Mar. 18
Do., pref.	$1.25	Mar. 31	Mar. 18
Canada Life	$5	Apr. 1	Mar. 31
Can. Steamship, pf.	$2.50	Apr. 1	Mar. 21
Can. Min. Eq., c. pf.	10c	Apr. 15	Mar. 3
Can. For. Invest., pf.	$2	Apr. 1	Mar. 15
Can. Gen. Elec.	$2	Apr. 1	Mar. 14
Canadian Oil, pfd.	$2	Apr. 1	Mar. 20
Can. West'ghouse	■50c	Apr. 1	Mar. 16
Can. Wire Box, A	37½c	Apr. 1	Mar. 14
Do., arrears	12½c	Apr. 1	Mar. 14
Can. Cottons	$1	Apr. 1	Mar. 2
Do., bonus	$2	Apr. 1	Mar. 2
Do., pref.	$1.50	Apr. 1	Mar. 2
Central Can. Loan*	$2	Apr. 1	Mar. 21
Chartered Trust	$1	Apr. 1	Mar. 14
Coniaurum Mines	4c	Mar. 20	Mar. 6
Canada Cement, p.	$1.25	Mar. 20	Feb. 28
Can. Malartic G.	2c	Mar. 26	Mar. 6
Canadian Car, pfd.	44c	Apr. 10	Mar. 20
Can. Converters	50c	Apr. 30	Mar. 28
Cockshutt Plow	25c	June 18	June 4
Can. Breweries, pfd.	75c	Apr. 1	Mar. 16
Confederation Life	$1.50	Mar. 31	Mar. 25
Do.	$1.50	June 30	June 25
Do.	$1.50	Sept. 30	Sept. 25
Do.	$1.50	Dec. 31	Dec. 25
Can. Indust's., A, B	$1.50	Apr. 30	Mar. 31
Do., pref.	$1.75	Apr. 15	Mar. 31
Cent. Pat. Gold	4c	Mar. 30	Mar. 14
Do., extra	1c	Mar. 30	Mar. 14
Carnation, 1st pf.	†$1.25	Apr. 1	Mar. 19
Celan. of Amer.	†50c	Mar. 31	Mar. 17
Do., 5% pref.	†$1.25	Apr. 1	Mar. 17
Do., 7% pref.	†$1.75	Apr. 1	Mar. 17
Do., 2nd pref.	*†$1.75	Apr. 1	Mar. 17
Cochenour Willans	3c	Apr. 20	Apr. 1
Com. Alcohols, c.	5c	Apr. 15	Mar. 31
Com. Alcohols, pfd.	10c	Apr. 15	Mar. 31
Can. Canners	12½c	Apr. 1	Mar. 14
Do., 1st pref.	25c	Apr. 1	Mar. 14
Do., partic.	5c	Apr. 1	Mar. 14
Do., 2nd pref.	15c	Apr. 1	Mar. 14
Do., partic.	5c	Apr. 1	Mar. 14
Consumers' Gas	$2	Apr. 1	Mar. 14
Dominion Bank	$2.50	May 1	Apr. 15
David & Frere, A.	25c	Mar. 31	Mar. 16
Do., bonus	15c	Mar. 31	Mar. 16
Dist. Seagrams, p.	†$1.25	May 1	Apr. 15
Dome Mines	■40c	Apr. 20	Mar. 31
Dom. Glass	■$1.25	Apr. 1	Mar. 16
Do., pref.	■$1.75	Apr. 1	Mar. 16
Dominion Tar, p.	$1.37½	May 1	Apr. 15
Dom. Textile	$1.25	Apr. 1	Mar. 5
Do., pref.	$1.75	Apr. 15	Mar. 16
Dom. Foundries, c.	25c	Apr. 1	Mar. 20
Easy Washing, pf.	17½c	Apr. 1	Mar. 16
Econ. Inv. Trust	$1.37½	Apr. 1	Mar. 20
East. Malartic	■5c	Mar. 31	Mar. 9
Fanny Farmer	†37½c	Apr. 1	Mar. 14
Foundation Co.	25c	Apr. 18	Mar. 31
Do., extra	25c	Apr. 18	Mar. 31
Ford Motor, A, B	25c	Mar. 23	Mar. 2
Falconbridge N.	5c	Mar. 26	Feb. 26
Gatineau Pwr.	15c	Mar. 31	Mar. 2
Do., 5½% pref.	$1.37	Apr. 1	Mar. 2
Do., 5% pref.	$1.25	Apr. 1	Mar. 2
Goodyear Tire	62c	Apr. 1	Mar. 14
Do., pref.	62½c	Apr. 1	Mar. 14
Gt. Lakes Pwr., pf.	$1.75	Apr. 15	Mar. 31
Gt.-West Life	$3.75	Apr. 1	Mar. 20
Greening Wire	15c	Apr. 1	Mar. 16
Grey & B. Trust	1%	Mar. 20	Mar. 1
Do., extra	¼%	Mar. 20	Mar. 1
Gt. Lakes Pap. A, B p	25c	Apr. 15	Mar. 31
Howe Sound	†75c	Mar. 31	Mar. 23
Hollinger Cons.	5c	Mar. 25	Mar. 11
H. Smith Paper, p.	$1.50	Apr. 15	Mar. 31
Ham. Un. Theat., p	$1.25	Mar. 31	Mar. 14
Huron & E. Mtge.	1%	Apr. 1	Mar. 14
Hinde & Dauch	25c	Apr. 1	Mar. 14
Ham. Cottons, pfd.	50c	Apr. 1	Mar. 14
Do., arrears	‡$2	Apr. 1	Mar. 14
Honey Dew	50c	Apr. 1	Mar. 14
Internat'l Nickel	†50c	Mar. 31	Mar. 2
Imp. Tobacco	10c	Mar. 31	Mar. 13
Do., final	17½c	Mar. 31	Mar. 13
Do., pref.	3%	Mar. 31	Mar. 13
Inter. Paper, pref.	†$1.25	Mar. 30	Mar. 20
Inter. Power, pfd.	$1.75	Apr. 1	Mar. 14
Inter. Nickel, pfd.	†1¾c	May 1	Apr. 1
Invest. Found., pf.	75c	Apr. 15	Mar. 31
Imperial Bank	$2.50	May 1	Mar. 31
Jam. Pub. Ser.	■17c	Apr. 1	Mar. 16
Do., pref.	$1.75	Apr. 1	Mar. 16

How is Grain Market Going to Work?

New Ceiling Situation Creates Many Problems

From Our Own Correspondent

WINNIPEG. — Principal interest in grain trade circles at the moment is not the business actually in progress at the moment, but rather the methods which will be in effect for handling business during the new crop year.

Whether or not the futures market in wheat will be able to function after August 1 is a subject on which different opinions are expressed. Obviously it cannot function above 90 cents a bushel, the level of the Wheat Board initial price on wheat if there is a ceiling on wheat prices below that level, as has frequently been assumed. But note is taken of assurances given in the House of Commons by members of the government to the effect that there is no ceiling price on wheat, but only a domestic ceiling on products made from wheat. If it functioned below 90 cents a bushel, obviously there would be no sellers of wheat outside of the Canadian Wheat Board, because all farmers' deliveries would be made to the Wheat Board. There could still be buyers, as the Canadian mills might have to come to the market for wheat, but it would hardly be supposed that the Canadian Wheat Board would alter its selling prices from time to time under such conditions.

If the millers are going to have to go to the market for their wheat and pay 90 cents a bushel or more there, some plan will have to be developed for reimbursing them for losses sustained when they sell flour at ceiling prices established in relation to a lower level of wheat prices.

Problem in Setting Price

The millers' supply of wheat for domestic milling can, of course, be supplied by the Wheat Board, at prices less than those paid to producers by the Wheat Board. But without machinery of the market to reflect varying demands for different grades of wheat, there would be a considerable problem in establishing price spreads between different grades.

Such spreads have been very narrow during the present crop year, and if the Wheat Board should be put in the position of apparently establishing wider spreads of its own volition, it would be subject to a good deal of criticism.

Moreover, in spite of demands which have occasionally been made from farmers' organizations for closing the futures market, there is going to be a great deal of criticism from farmers if it does not operate and if the government appears to be responsible for that condition. Objections to the 90 cent level for wheat prices would be intensified if it should appear that action were being deliberately taken to prevent any higher price from being registered

No Open Market

Evidently there is going to be no open market, either in futures or in cash grain, for flax. The Canadian Wheat Board will be the only buyer and the seller, paying the guaranteed price of $2.25 per bushel at the head of the lakes. To enable Canadian crushers to go on selling linseed oil at ceiling prices, the Board will have to sell them flax at the approximate equivalent of $1.64 per bushel, the present ceiling price on flax, and the level in effect when the ceiling price for flax-seed products was established. The Wheat Board will take a substantial loss there. However, it stands to make a profit, and perhaps a considerable one, on such flax as it has available for export to the United States, where prices well in advance of the level to be guaranteed in Canada now prevail, and where they may go decidedly higher yet.

Out of Rye Market

The Wheat Board will not be in the market at all for rye, as no price guarantee has been made.

So far as oats and barley are concerned the evident intention is that the Wheat Board should enter the market whenever there is not sufficient demand to absorb offerings at the minimum prices to be guaranteed. Quite conceivably that may not occur at all, if demand from eastern Canada and from the United States is in sufficient volume. By order in council the Wheat Board has been empowered to buy Winnipeg barley futures or cash barley, basis Fort William or Port Arthur at 60 cents per bushel for No. 2 Two Row or Six Row Barley 60 cents, No. 3 at 58 cents, or No. 1 feed at 56 cents per bushel. If the Board exercises such power it may make a loss or a profit. Whichever it is will be for the account of the Canadian government and no participation certificates will be issued entitling producers to any share in ultimate proceeds.

Similar

The procedure with respect to oats will be similar, except that the price for No. 2C.W. oats is to be 45 cents per bushel, for No. 3 or Extra No. 1 Feed 42 cents, and for No. 1 Feed 40 cents.

The Board has been given power to control imports and exports of oats and barley from Canada. Export presumably would be forbidden, as is actually the case at the present time, if there should appear to be any shortage of feed grain in Canada. But it would be quite possible for the trade in these grains to go on without it becoming necessary for the Board to exercise any of the powers in connection with such grains which have been assigned to it.

Company Reports

Can. Oil Companies

Larger volume of business and a full year's operations of the new refining unit installed in 1940 resulted in a gain of $340,835 in net income of Canadian Oil Companies in 1941. After providing for taxes, and other charges, net profit is but little changed from the preceding year.

The common earned $1.51 a share last year against $1.46 in 1940, paid $1.20 a share in dividends against $1.

Balance sheet shows cash little changed at $233,563. Inventories are up about $500,000 to $2.6 millions and accounts receivable up $280,000 at $1.3 million. Capital assets are up about $500,000 to $11 millions before depreciation of $5.7 millions. Funded debt is unchanged at $1.5 million and mortgages payable have been reduced $58,000 to $121,000.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Net income	1,505,968	1,165,133
Less: Depreciation	602,995	565,490
Debenture interest	60,000	49,073
Inc. & E. P. taxes	365,000	180,000
Inventory reserve	100,000	......
Net profit	377,973	370,570
Less: Pref. dividends	160,000	160,000
Common divds.	172,517	143,764
Surplus for year	45,456	66,806
Add: Prev. surplus	1,168,688	1,104,020
Less: Inc. tax adjust.	......	2,138
Surplus forward	1,214,144	1,168,683
Earned per share:		
Preferred	$18.89	$18.53
Paid	8.00	8.00
Common	$1.51	$1.46
Paid	1.20	1.00
Shares o/s:		
Preferred, $100 par	20,000	20,000
Common, n.p.v.	143,764	143,764
Working Capital	$	$
Current assets	4,126,852	3,328,179
Current liabilities	1,533,843	1,021,295
Working capital	2,543,009	2,306,884

Dividends Declared (Cont'd)

Kerr Addison	5c	Apr. 28	Apr. 10
Langleys, pfd.	■50c	June 11	June 2
Do.	■50c	Sept. 11	Sept. 2
Do	■50c	Dec. 11	Dec. 2
Lon. & West. Trust	$1	Apr. 1	Mar. 15
Lang, J. A.	17½c	Apr. 1	Mar. 15
Do., extra	30c	Apr. 1	Mar. 15
Landed Bkg.	$1	Apr. 1	Mar. 14
McColl-Fron., pf.	1.50	Apr. 15	Mar. 31
Massey-Har., new p	31¼c	Apr. 15	Apr. 1
Do.	31¼c	Apr. 15	Apr. 1
Marcus Loew's, pf.	$1.75	Mar. 31	Mar. 21
Monarch Knit., pf.	$7	Mar. 26	Mar. 12
Mtl. C. & D. Bank	$3	Apr. 1	Mar. 14
Montreal L. H.	37c	Apr. 30	Mar. 31
McKen. R. Lake	3c	Mar. 19	Mar. 3
Modern Contain.	20c	Apr. 1	Mar. 20
Do., extra	20c	Apr. 1	Mar. 20
Do., pref.	$1.37½	Apr. 1	Mar. 20
Moore Corp.	55½c	Apr. 1	Mar. 10
Do., A, B, pref.	†$1.75	Apr. 1	Mar. 10
Moneta Porc.	2c	Apr. 15	Mar. 31
New Eng. Pwr., pfd.	†$1	Apr. 1	Mar. 21
Do., 2nd p.	†33 1/3c	Apr. 1	Mar. 21
Niag. W. Weav.	50c	Apr. 1	Mar. 17
National Trust	$2	Apr. 1	Mar. 16
N. S. Lt. & Pr., ord.	$1.50	Apr. 1	Mar. 14
Nat. Breweries	50c	Apr. 1	Mar. 11
Do., pref.	44c	Apr. 1	Mar. 11
Nat. Biscuit, c.	†40c	Apr. 15	Mar. 17
Noranda Mines	$1	Mar. 17	Feb. 20
Nat. Grocers, pref.	37c	Apr. 1	Mar. 16
Nat. Steel Car	50c	Apr. 15	Mar. 31
Negus Mines	2½c	Mar. 23	Mar. 10
North Empire M.	10c	Apr. 10	Mar. 27
North Star Oil, pf.	8¾c	Apr. 1	Mar. 16
Ottawa Elec. Rly.	30c	Apr. 1	Mar. 10
O'Brien Gold	3c	Mar. 23	Feb. 28
Ottawa L. & Pr.	15c	Apr. 1	Feb. 10
Do., pref.	$1.25	Apr. 1	Feb. 10
Ont. Loan & Deb.	$1.25	Apr. 1	Mar. 16
Ogilvie Flour, c.	25c	Apr. 1	Mar. 17
Para. Pictures	†25c	Apr. 1	Mar. 16
Do., 1st pfd.	†$1.50	Apr. 1	Mar. 18
Power Corp., pref.	■$1.50	Apr. 15	Mar. 31
Do., 2nd pref.	■75c	Apr. 15	Mar. 31
Perron Gold	■4c	Mar. 20	Feb. 28
Do., extra	■1c	Mar. 20	Feb. 28
Pickle Crow	10c	Apr. 30	Apr. 15
Pioneer Gold	10c	Apr. 1	Feb. 28
Porto Rico Pwr., p.	$1.75	Apr. 1	Mar. 31
Preston E. Dome	2c	Apr. 15	Mar. 31
Page-Hersey	$1.25	Apr. 1	Mar. 14
Price Bros., pfd.	$1.37½	Apr. 1	Mar. 21
Premier Gold	2c	Apr. 15	Mar. 16
Proprietary M.	5c	Apr. 29	Apr. 15
R. Silk Mills, A	50c	Apr. 1	Mar. 14
Regent Knitting pfd.	‡40c	June 1	May 15
Do., c.	25c	Mar. 16	Mar. 2
Russell Indust.	20c	Mar. 31	Mar. 18
Do., pref.	$1.75	Mar. 31	Mar. 18
South. Can. Pwr.	20c	May 15	Apr. 30
Do., pref.	$1.50	Apr. 15	Mar. 20
Silverwoods	20c	Apr. 1	Mar. 21
Do., pref.	20c	Apr. 1	Mar. 21
Steel of Can.	75c	May 1	Apr. 7
Do., pref.	75c	May 1	Apr. 7
San. Antonio Gold	7c	Apr. 20	Apr. 4
Do., extra	3c	Apr. 20	Apr. 4
Sher.-Williams, pf.	$1.75	Apr. 1	Mar. 15
Do. ordinary	15c	May 1	Apr. 15
Sheep Creek G.	4c	Apr. 15	Mar. 31
Do., extra	1c	Apr. 15	Mar. 31
Simon & Sons	15c	Mar. 28	Mar. 13
Do., extra	15c	Mar. 28	Mar. 13
Do., pref.	$1.75	Mar. 28	Mar. 13
Simpsons, pref.	$1.62½	May 1	Apr. 18
Stedman, c.	15c+30c	Apr. 1	Mar. 20
Do., pf.	75c	Apr. 1	Mar. 20
Sylvanite	5c	Mar. 28	Feb. 14
Sturgeon River G.	2c	Apr. 30	Apr. 15
Sudbury Basin	2½c	Mar. 31	Mar. 12
Sun Life Assur.	$3.25	Apr. 1	Mar. 16
So. Amer. Gold	†10c	Mar. 31	Mar. 23
Standard Fuel, p.	$1	Apr. 1	Mar. 10
Stand. Radio, A, B	10c	Apr. 10	Mar. 31
Tamblyn, G	20c	Apr. 1	Mar. 12
Do., pref.	62½c	Apr. 1	Mar. 12
Tuckett Tob., pf.	$1.75	Apr. 15	Mar. 31
Toronto Mortgage	$1.25	Apr. 1	Mar. 14
Tor. Gen. Trusts	$1	Apr. 1	Mar. 14
Tip Top Tailors	15c	Apr. 1	Mar. 20
Do., pref.	$1.75	Apr. 1	Mar. 20
Unit. Fuel, pf. A	75c	Apr. 1	Mar. 21
Ventures	■10c	Mar. 31	Mar. 10
Viau, pref.	$1.25	Apr. 1	Mar. 20
Wabasso Cotton	$1	Apr. 1	Mar. 21
Wendigo Gold	3c	Apr. 15	Mar. 20
West Koot. Pr. p.	$1.75	Apr. 1	Mar. 19
Wilsil	25c	Apr. 1	Mar. 14
Do.	25c	July 1	June 15
West. Grocers	75c	Apr. 15	Mar. 20
Do., extra	$2	Apr. 15	Mar. 20
Do., pref.	$1.75	Apr. 15	Mar. 20
Western Assur., c.	$1.20	Apr. 1	Mar. 27
Wr. Hargreaves	10c	Apr. 1	Feb. 25
Young Davidson	2c	Mar. 20	Mar. 10

†Payable in U S. funds. ■Subject to approval of Foreign Exchange Control Board. *Initial. ‡Also 40c payable Sept. 1 and Dec. 1. ‡Eliminates arrears.

Carnation Co.

Net 1941 sales for all units of Carnation Co. reached the record figure of $84 millions against $62.7 millions for 1940. All principal products showed a substantial gain in unit volume.

E. H. Stuart, president, states the company has been called upon to supply large quantities of evaporated milk to the governments of the U. S., Canada and Britain. Expectation is for still greater quantities in 1942.

Greatly increased volume of business made it advisable to provide more working capital and in Oct., 1941, the company obtained $4 millions from three banks on unsecured 2% serial notes maturing up to 1949.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Operating profit	5,931,195	4,291,635
Add: Other income	132,932	80,135
Less: Depreciation	1,027,547	963,007
Obsolescence	25,668	30,523
Taxes	2,359,000	971,500
Other charges	87,460	87,712
Net profit	2,564,451	2,319,027
Less: Pref. divds.	146,795	146,896
Com. divds.	1,219,182	1,218,682
Surplus for year	1,198,474	953,449
Add: Prev. surplus	7,898,551	6,947,786
Sale treas. stk.	2,024	......
Less: Prem. sub. stk.	252	......
Reductn. mkt. secs.	9,153	......
Prem. pfd. stk.	......	203
Excess cost com. stk.	......	2,481
Surplus forward	9,089,644	7,898,551
Earned per Share:		
Preferred	$87.35	$78.99
Paid	5.00	5.00
Common	3.96	3.56
Paid	2.00	2.00
Shares Outstanding:		
Preferred	29,359	29,359
Common	609,591	609,491

Working Capital

	1941 $	1940 $
Current assets	24,852,252	14,750,674
Current liabilities	11,033,787	4,655,417
Working capital	13,818,465	10,095,257

Can. Celanese

Substantially higher net operating profits are reported by Canadian Celanese Ltd. for 1941. Income from all sources totalled $4.5 millions, as against $2.8 millions in 1940. After deducting all charges, including preferred dividend, net profits were $3.99 a share, $2.21 the year before.

The 1941 balance sheet shows net working capital of $4.9 millions, a gain of almost $500,000. While investments were down, cash and inventories recorded a gain.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Net oper. profit	4,418,736	2,742,276
Add: Invest. income	110,637	110,007
Prof. on rts. purch.	7,022	8,987
Loss on bonds sold	1,200	■8,550
Total income	4,535,195	2,869,820
Less: Exec. remuner.	129,240	126,455
Directors' fees	5,960	5,960
Legal fees	6,925	7,250
Depreciation	484,639	434,933
Amort. of patents	66,992	68,394
Inventory res.	66,000	nil
Tax provision	1,800,000	765,000
Inc. fund. rights	122,400	122,400
Net profit	1,853,040	1,341,429
Less: Pref. divds. (7%)	700,000	700,000
Pref. partic. divd.*	60,000	116,000
Common divds.	520,818	494,777
Surplus for year	572,222	30,652
Less: Pr. yr. adjust.	nil	47,263
Add: Prev. surplus	2,827,523	2,844,134
Surplus forward	†3,399,745	2,827,523
Net per sh. pref.	$18.53	$13.41
Part. per sh. pref.	1.15	0.60
Paid per sh. pref.:		
Regular 7%	7.00	7.00
Participation*	0.60	1.16
Net per sh. com.▲	3.99	2.21
Paid	2.00	1.90

*Paid in respect of prev. year; participation of $115,000 or $1.15 per share of preferred, earned in 1941, declared payable Mar. 31, 1942.

†Of which $115,482 is subject to distribution as a participating dividend to preferred; of this, $115,000 declared payable Mar. 31, 1942.

▲On 260,409 shares, after preferred participation. ■Profit.

Working Capital

	1941 $	1940 $
Current assets	7,177,411	5,781,687
Current liabilities	2,261,505	1,307,156
Working capital	4,915,906	4,474,531

Balance Sheet Changes

	1941 $	1940 $
Cash	3,341,550	1,721,774
Investments	1,234,424	1,849,249
Inventory	1,801,276	1,491,358
Property	13,529,264	12,807,334

Canadian Investors

Canadian Investors Corp., management type of investment trust, reports net profits of 52 cents a share for the year ended Jan. 31, 1942, compared with 45 cents the previous year. D. I. McLeod, president, points out that most of the increased income came from a $5 dividend on International Paper preferred shares held. As this was for arrears, the increase should not be regarded as normal.

Legislation provides that investment trusts are exempt from excess profits taxes if not more than 10% of capital is invested in securities of any one corporation and it distributes to its shareholders 85% or more of its earnings. To conform with the latter requirement directors intend to add a special bonus of five cents a share to the next quarterly dividend from last year's earnings.

Liquidating value of holdings were equivalent to $7.77 a share on the common, only capital outstanding at the year end, compared with $8.22 a year earlier.

Investments are carried at $1.3 million, had a market value at the end of January of $764,968. Corresponding figures a year ago were $1.2 million and $688,258 respectively. Cash is shown at $25,450 this year against $150,137 a year ago.

Income and Surplus Account
Years Ended Jan. 31

	1942 $	1941 $
Int. & divid. inc.	59,802	57,807
Less: Rent, salaries, etc.	2,100	2,318
Fees paid	1,613	1,671
Income taxes	4,207	8,706
Net profit	51,881	45,112
Less: Dividends	40,000	40,000
Surplus for year	11,881	5,112
Add: Prev. surplus	167,510	162,765
Less: Addit. inc. tax	......	367
Surplus forward	179,391	167,510
Earned per Share	$0.52	$0.45
Paid	0.40	0.40
Shares O/s., n.p.v.	100,000	100,000
Equity per Share	$7.77	$8.22

Steel of Canada

Steel Company of Canada reports earnings on the combined preference and ordinary stock of $6.17 a share in 1941 as compared with $5.92 in 1940. Total revenue was $12.9 millions against $9.5 millions the year before. Depreciation, including special depreciation for "war plant," was on a substantially larger scale than last year.

The company reports steel consumption, including steel purchased during 1941, increased approximately 35% over 1940 and by 90% over 1939. Sales and value for 1941 increased over 1940 by 36% and in comparison with 1939 by 89%.

Net working capital position at the end of 1941 totalled $17.7 millions, a gain of $2.6 millions during the year. Receivables, inventories, plant investment and government bond holdings were all substantially higher. The liabilities feature an advance of $2.5 millions from the Dominion government.

Consol. Income & Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Operating income*	4,379,353	4,206,095
Security income	60,379	135,697
Net revenue	4,439,732	4,341,792
Less: Bond interest	......	77,408
Net profit	4,439,732	4,264,384
*After deducting:		
Deprec., incl. spec.	4,742,022	1,969,872
Income taxes	3,520,000	3,005,000
Directors' fees	14,000	14,000
Remun. exec. officers	196,737	197,444
Legal exp.	7,038	6,586

Consolidated Earned Surplus

	1941 $	1940 $
Previous surplus	20,874,258	18,651,040
Net profit	4,439,732	4,264,384
Inv'ty. adjts.	......	438,575
	25,313,990	23,353,999
Dividends	2,159,556	2,179,741
Pension fund	300,000	300,000
	2,459,556	2,479,741
Carried forward	22,854,434	20,874,258
Share earnings	$6.17	$5.92

Working Capital

	1941 $	1940 $
Current assets	26,740,832	22,943,709
Current liabilities	8,969,361	7,777,901
Working capital	17,771,471	15,165,808

Balance Sheet Changes

	1941 $	1940 $
Cash	3,848,246	3,041,920
Dom. bonds, etc.	4,679,036	3,794,390
Receivables	8,066,927	6,372,873
Inventories	10,076,587	9,454,534
Plant	61,019,698	54,079,528
Govt. advances	2,490,000	......

Dominion Coal

Due to loss of 620,000 tons of coal production because of the slowdown by the miners, Dominion Coal Co. reports operating loss in 1941 of $269,956 against a profit of $2.2 millions in 1940. Overall loss for the year, after partial dividends, was $731,034.

Production curtailment is reflected in the consolidated balance sheet which shows working capital of $2.1 millions, down from $2.8 millions a year ago. In 1941 $325,000 of equipment bonds were issued, while net additions to property amounted to nearly $1.2 millions. Other cash outlays included nearly $660,000 on account of bond and stock redemptions.

Cons. Income & Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Oper. profits	*269,956	†2,231,997
Less: Depreciation	nil	1,250,000
Fixed charges	296,169	392,007
Net profit	*566,125	589,990
Pref. divds.	164,909	331,780
Surplus for year	*731,034	258,210
Add: Prev. surplus	1,181,466	923,256
Surplus forward	450,432	1,181,466
Earned: Preferred	....	$2.68
Paid	$0.75	1.50

*Deficit. †After provision for income and excess profits taxes.

Working Capital

	1941 $	1940 $
Current assets	7,372,973	7,701,434
Current liabilities	4,499,478	2,704,980
Working capital	2,873,495	4,996,454

Balance Sheet Changes

	1941 $	1940 $
Cash	166,590	513,120
Investments	352,260	239,060
Owing by subs.	428,432	1,054,590
Property	24,745,159	23,497,811
Trustee cash	219,788	161,486
Bank loans	2,250,000	......
Accts. payable	1,523,530	1,852,106
Pay. assoc. cos.	196,245	489,840
Bonded debt	5,500,000	6,000,000
Underlying debt	1,155,000	977,000

Modern Containers

Earnings of Modern Containers Ltd. were "very substantially increased" in 1941, states Leslie I. Finnie, president, and a new increase in surplus account is reported in spite of a bonus dividend and heavier taxes. Common stock earned $2.03 a share last year against $1.51 in 1940.

Outlook for 1942 is "somewhat clouded owing to the freezing of tin, of which 90% of our tubes were manufacture ','" states the president, adding that the company "has developed substitute alloys which have been approved by the trade generally." Work is also going on in searching for alternative alloys.

Balance sheet shows cash approximately doubled at $101,752 and investments up moderately at $156,654. Inventories at $129,463 are lower than last year's $171,949.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Net trading profit	228,295	127,268
Add: Invest. income	5,410	6,152
Less: Depreciation	33,700	18,037
Income & E. P. tax.	132,651	61,178
Net profit	67,354	54,155
Less dividends:		
Preferred	16,500	16,500
Common	30,000	30,000
Surplus for year	20,854	7,655
Add: Prev. surplus	211,003	203,408
Profit on securities	629	186
Reserves adjusted	*17,217	188
Less: Addit. 1940 depr.	11,578	......
Income tax adj.	......	434
Inventory res. 1940	12,000	......
Surplus forward	226,125	211,003

*Includes provision for income taxes reversed on tin inventory reserve.

Earned per Share:		
Preference	$22.67	$18.11
Paid	5.50	5.50
Common	2.03	1.51
Paid	1.20	1.20
Shares O/s.:		
Preference, $100 par	3,000	3,000
Common, n.p.v.	25,000	25,000

Working Capital

	$	$
Current assets	508,886	430,732
Current liabilities	151,196	104,992
Working capital	357,690	325,740

Wheat Prices

Winnipeg Grain Futures

Week to Mar. 16, 1942

Crop year from Aug. 1, 1941 High	Low		High for week	Low for week	Close Mar. 16
		Wheat			
.82¾	.76¼	May	.79⅜	.79	.79⅛
.82⅛	.77½	July	.80⅜	.80¼	.80⅜
		Oats			
.51½	.38⅛	May	.51⅛	.50½	.51
.51¾	.42⅛	July	.50½	.49½	.50⅜
.50	.46	Oct.	.49¾	.48⅝	.49⅝
		Barley			
.64¾	.49⅜	May	.64¾	.64⅜	.64½
.64¾	.55⅛	July	.63¾	.63	.63½
.63⅞	.57	Oct.	.62¾	.62	.62½
		Flax			
1.64½	1.40¼	May	1.64	1.64	1.64
1.64	1.48	July	1.64	1.64	1.64
1.64	1.60	Oct.	1.64	1.64	1.64
		Rye			
.67⅞	.52¾	May	.66⅝	.65⅞	.66
.66⅝	.60⅜	July	.66⅝	.66⅛	.66¼
.66⅝	.66⅝	Oct.	.66⅝	.66⅝	.66⅝

Cash Quotations

	For Week Mar. 16 High	Low	Prev. Week High	Low
Wheat:				
1 Hard	.78⅛	.77⅞	.78	.76¾
1 Nor.	.78⅛	.77⅞	.77⅞	.76¾
2 Nor.	.75	.74⅛	.74⅝	.73¼
3 Nor.	.73⅛	.73	.73¼	.72⅛
4 Nor.	.71⅞	.71¾	.72	.70⅞
5 Wheat	.69¾	.69⅝	.69⅞	.68¾
6 Wheat	.67¾	.67⅝	.67⅞	.66¾
Feed	.66⅛	.65⅛	.65⅜	.64¼
Oats:				
2 C. W.	.50¼	.49¾	.50	.40⅛
3 C. W.	.48⅜	.48⅛	.48½	.47⅜
Barley:				
1 Feed	.61¼	.60⅛	.60⅛	.59¾
2 Feed	.60¼	.59⅛	.59⅛	.58¾
Flax:				
1 C. W.	1.64	1.64	1.64	1.62
2 C. W.	1.59¾	1.59½	1.59½	1.59⅛
Rye:				
2 C. W.	.65¼	.64½	.65⅛	.64⅞

DIVIDEND NOTICES

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable April 1st, 1942, to shareholders of record as at close of business March 15th, 1942, in Canadian Funds.

W. S. BARBER,
Secretary-Treasurer.

Toronto, Ontario.

DIVIDEND

Chartered Trust and Executor Company

NOTICE is hereby given that a dividend of 1% has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company for the quarter ending March 31st, 1942, payable April 1st, 1942, to shareholders of record at the close of business March 14th, 1942.

By Order of the Board.

E. W. McNEILL,
Secretary.

Dated at Toronto,
February 19th, 1942.

Imperial Bank of Canada

DIVIDEND NO. 207

Notice is hereby given that a Dividend of two and one-half per cent (2½%) has been declared for the quarter ending 30th April, 1942, payable at the Head Office and Branches on and after Friday, the 1st day of May next, to shareholders of record of 31st March, 1942.

By Order of the Board.

H. T. JAFFRAY,
General Manager.

Toronto, 11th March, 1942.

PICKLE CROW

GOLD MINES LIMITED
(No Personal Liability)

NOTICE OF DIVIDEND NO. 25

Notice is hereby given that a dividend of ten cents (10c) per share in Canadian funds has been declared, payable on Thursday, April 30th, 1942, to shareholders of the company of record at the close of business on Wednesday, April 15th, 1942.

By Order of the Board.

ROBERT FENNELL, K.C.,
Treasurer.

Toronto, Ont., March 16th, 1942.

Cochenour Willans Gold Mines, Limited

(No Personal Liability)

DIVIDEND NOTICE

INTERIM DIVIDEND NO. 4

NOTICE IS HEREBY GIVEN that an interim dividend of three cents per share in Canadian funds has been declared on the issued capital stock of Cochenour Willans Gold Mines Limited, and will be paid on the 20th day of April, 1942, to shareholders of record at the close of business on the 1st day of April, 1942.

By Order of the Board.

G. M. HUYCKE,
Secretary.

Toronto, Ontario, March 17, 1942.

DIVIDEND NOTICES

The Dominion Bank

Dividend No. 238

Notice is hereby given that a dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 30th April, 1942. The dividend will be payable at the Head Office of the Bank and its Branches on and after Friday, the 1st day of May, 1942, to shareholders of record of the 15th April, 1942.

By Order of the Board.

ROBERT RAE,
General Manager.

Toronto, 12th March, 1942.

Moneta Porcupine Mines Limited

(No Personal Liability)

DIVIDEND NO. 15

NOTICE is hereby given that a dividend of two cents per share has been declared by the Directors of Moneta Porcupine Mines Limited (No Personal Liability) payable in Canadian funds on April 15th, 1942, to Shareholders of record March 31st, 1942.

By Order of the Board.

H. B. CLEARIHUE,
Secretary-Treasurer.

Toronto, Ontario, March 12th, 1942.

Proprietary Mines Limited

DIVIDEND NO. 4

NOTICE is hereby given that a Dividend of Five cents per share has been declared on the issued capital stock of the Company, payable in Canadian Funds on April 29th, 1942, to shareholders of record at the close of business on April 15th, 1942.

By Order of the Board.

J. INGRAM,
Secretary-Treasurer.

Toronto, Ont., March 13th, 1942.

POWER CORPORATION OF CANADA LIMITED

The Board of Directors has declared this day the following dividends.

6% First Cumulative Preferred Stock

No. 67, quarterly, $1.50 per share.

6% Non-Cumulative Participating Preferred Stock ($50 par value)

No. 39, quarterly, 75c. per share.

Payable April 15th, 1942, to holders of record at the close of business March 31st, 1942.

L. C. HASKELL, F.C.I.S.,
Secretary.

Montreal, February 27th, 1942.

DIVIDEND NOTICES

BRALORNE MINES LIMITED

(Non-Personal Liability)

NOTICE is hereby given that a Quarterly Dividend of 20 cents per share and an Extra Dividend of 10 cents per share have been declared on the paid-up capital stock of the company, payable on the 15th day of April, 1942, to shareholders of record as of March 31st, 1942.

By order of the Board.

RONALD GRACE,
Secretary-Treasurer.

Vancouver, B.C.,
March 12th, 1942.

The Toronto Mortgage Co.

Quarterly Dividend

Notice is hereby given that a dividend of $1.25 per share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

1st April, 1942,

to Shareholders of record on the books of the Company at the close of business on 14th instant.

By Order of the Board.

WALTER GILLESPIE,
Manager.

5th March, 1942.

The Sherwin-Williams Company of Canada, Limited

NOTICE IS HEREBY GIVEN that the one hundred and twenty-third quarterly dividend of one and three-quarters per cent (1¾%), being at the rate of seven per cent (7%) per annum for the quarter ending February 28, 1942, on the Preferred Stock of the Company has been declared payable to Shareholders of record the 15th day of March, 1942, and that cheques will be mailed April 1, 1942.

Books not closed.

By Order of the Board.

P. W. HOLLINGWORTH,
Secretary-Treasurer.

Montreal, Quebec,
February 5, 1942.

DIVIDEND NOTICES

THE WABASSO COTTON COMPANY, LIMITED

NOTICE OF DIVIDEND

A Dividend of One Dollar ($1.00) per share has been declared on the Capital Stock of The Wabasso Cotton Company, Limited, payable on the 1st April, 1942, to shareholders of record as at close of business on 21st March, 1942.

By Order of the Board.

H. W. CAPEL,
Secretary-Treasurer.

Montreal, Que., 12th March, 1942.

Canada Steamship Lines Limited

Notice is hereby given that under the provisions of the Modified General Plan of Reorganization of Canada Steamship Lines, Limited, dated October 1, 1936, a dividend of Two Dollars and Fifty Cents ($2.50) per share on the outstanding preference shares of the company has been declared payable April 1, 1942, to shareholders of record March 21, 1942.

Dated at Montreal this 11th day of March, 1942.

R. BROCK THOMSON,
Secretary.

Silverwood DAIRIES, LIMITED

PREFERRED DIVIDEND NO. 12

NOTICE IS HEREBY GIVEN that the regular semi-annual dividend of twenty cents (20c) per share has been declared on the Preferred Shares of the Company, payable April 1st, 1942, to shareholders of record at the close of business, March 21st, 1942.

COMMON DIVIDEND NO. 3

NOTICE is also given that a dividend of twenty cents (20c) per share has been declared on the Common Shares of the Company, payable April 1st, 1942, to shareholders of record at the close of business March 21st, 1942.

BY ORDER OF THE BOARD

London, Ontario,
March 11th, 1942.

J. H. GILLIES,
Secretary-Treasurer.

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Bauxite Still Aluminum Source Alternatives Too Expensive

While research work on extracting aluminum from other ores than bauxite has been carried on for many years not only in Canada but in many other countries of the world, an authority on the subject expects no early use of other ores as alternatives are too costly.

"Perhaps in the distant future when the world's bauxite supplies are nearing exhaustion these other materials may begin to form the basis for an aluminum industry in Canada," he states.

During the 40 years of the development of the aluminum industry in Canada, many experiments have been carried out as to the feasibility of extracting aluminum from some of the rocks bearing the metal in this country where no commercial deposit of bauxite has ever been located. As a matter of fact, there are several hundred patents on different processes to obtain aluminum, but methods of extracting it would be so costly that the metal could not be economically marketed.

Bauxite Always Preferred

Aluminum production in the democratic countries has multiplied substantially since the outbreak of war and our aluminum authority states there are abundant sources of bauxite available both to Canada and the United States. Other sources of aluminum have never been used when bauxite has been available.

There are a few countries, including Germany, Japan, Norway and Canada, in which little or no bauxite occurs, and in some of these countries efforts have been made to use other aluminum-bearing materials of lower grade and those in which aluminum occurs in other forms than the hydrates oxide. (Bauxite is a hydrated oxide containing 55% to 60% aluminum oxide.)

No attempts, however, to use low-grade materials commercially are stated to have been made either in the United States or Canada as the processes for their utilization are complicated and expensive and as it is recognized that none of the low-grade aluminous materials can compare with bauxite as long as the latter is available. None of the processes utilizing low-grade aluminous materials can produce aluminum oxide at a cost as low as the cost at which aluminum oxide can be produced from bauxite by present commercial processes.

Lots of Investigation

While no commercial production of aluminum from products other than bauxite has been carried on, a large amount of investigation and pilot work has been carried out. In spite of readily available supplies of bauxite, North American technicians have for many years pursued investigation in connection with the use of aluminum-bearing materials other than bauxite for the production of the metal. Laboratory experiments and pilot plant operations on such materials as bauxitic clay and alunite were being conducted in the United States as long ago as the first world war. In Canada also, aluminum silicate rocks have been under investigation for ten years or more.

No bauxite has been discovered in Canada although searches have been made far and wide. Other aluminum-bearing materials, however, including clays and shales as well as igneous rocks such as anorthosite and nepheline synenite, are extremely abundant.

Aluminum Under Prairies

Shales containing 20% to 25% or more aluminum oxide underlie vast tracts in the Prairie Provinces. Nepheline synenite, containing 25% to 30% aluminum oxide, is found in many parts of central Canada, whereas anorthosite, consisting largely of the mineral labradorite and containing approximately 30% aluminum oxide, is one of the most abundant rocks in the pre-Cambrian shield, particularly in the Laurentian belt extending from the Great Lakes northeastward to Labrador.

In Germany much experimental work has been done in an effort to use aluminum silicate rocks such as clays and phonolite as a source of aluminum, and shortly before the outbreak of the present war some pilot plants were built to continue the research on a small plant scale.

In Japan an aluminum industry was started eight or 10 years ago using alunite, a basic potassium and aluminum sulphate, as raw material for aluminum production. Later high alumina clays found in North China and Manchuria were also used. With the development of the bauxite mines in Netherlands India, Japan found there a more suitable source of raw materials for aluminum production and the use of alunite and high alumina clays was discontinued.

Russia, through intensive research, has developed a fair supply of rather low-grade bauxite in recent years. However, because of the tremendous distance of the bauxite mines from some of the established aluminum plants, attempts to find more conveniently located raw materials have resulted in a limited use of the mineral nephelite, an alkali aluminum silicate.

Italy, although it has a modest supply of bauxite, has also very large areas of volcanic rocks rich in the mineral leucite, a potassium-aluminum silicate. Numerous experiments have been made to use leucite as a source of aluminum but thus far without success as the mineral cannot compete with bauxite which is still readily available in Italy. The use of leucite, therefore, up to the present, has been confined to the production of potash fertilizer and chemicals.

In Norway, where no bauxite occurs, the use of labradorite, an aluminum silicate for aluminum manufacture, has recently been discussed. In Sweden the use of andalusite, another aluminum silicate, has been mentioned.

Mining INVESTMENTS

A proposal which has been attracting some interest the last week is the suggestion that production in the Kirkland Lake area be concentrated at the three properties with large mills—Lake Shore, Teck-Hughes, and Sylvanite. It is suggested that certain savings would be possible through utilizing unused capacity at Lake Shore to treat ore from Wright-Hargreaves and Toburn while excess Teck-Hughes capacity might be used to treat ore from Macassa and Kirkland Lake.

Such a suggestion is not new. It is however of great current interest due to intensification of war effort. If the mine managements could see a practical way to concentrate production, available mine supplies might be more fully utilized and unit milling costs improved. Certain practical objections exist to putting the plan into effect. It is long way from the Macassa to the Teck-Hughes mill, for instance, and it is doubtful if the underground haulage route would prove practical. The same situation is true with other mines but to a lesser degree.

There is a great deal of difference between a drift connection for safety purposes and a main ore haulageway that will handle hundreds of tons of ore economically a day. Mines are built to deliver ore to their own shafts not elsewhere.

Surface haulage might be practical but would require a considerable fleet of trucks. And rubber tires for trucks might eventually prove a serious problem.

* * *

Pooling of supplies of all gold mines is understood to be one proposal which has received some attention recently. As the situation exists now, one mine might have a good supply of grinding balls but might be short on cyanide of which his next door neighbor might have a satisfactory quantity.

If supply resources were pooled, it is argued, an unused crusher at one mine might be used at another while a third mine might be able to get, say an electric motor that it needs. The proposal was advanced when war broke out, it is understood, but failed to receive serious attention then as the supply situation did not immediately become acute.

* * *

War industries for mining camps are becoming more than a remote possibility it is understood. In many of the northern mining camps there is excess electric power available in sharp contrast to the situation existing in southern Canada. Some camps have surplus labor, particularly female, which would be available for war work.

Nickel Profits Off in 1941

Highest Sales and Operating Profits on Record Not Reflected in Net

While production of nickel reached an all-time high record in 1941, International Nickel Co. of Canada's record 1941 sales did not result in higher profits. Profits in 1941, the annual report reveals, were $2.22 a share compared with $2.30 in 1940 and $2.39 a share in 1939.

Increased activity has meant relatively little to shareholders in recent years. Between 1938 and 1941 profits increased $2 millions but taxes are up no less than $18 millions.

As a contribution to the war effort, a $35 millions expansion programme is now under way whereby nickel supply is being increased so that by 1943 annual production will be 50 million pounds greater than in 1940. Under agreement with the Canadian government, $25 millions of capital expenditures for this programme, incurred subsequent to July 1, 1941, will be amortized over a five-year period to the end of 1945. Details of current output are not being released in wartime but a week ago Metals Controller G. C. Bateman stated current Canadian nickel production was seven times 1914 output of 45,517,937 lb. This would indicate a current Canadian output rate of 320 million lb.

Working capital was increased to $83 millions at the end of 1941 compared with $75 millions at the end of the previous year.

"Although the supply of nickel made available to the United Nations was an all-time high, it fell short of the total demands," President Robert C. Stanley reports. "Primary nickel deliveries and allocations in the United States were placed under priority control by the OPM on March 7, 1941, thus bringing all primary nickel deliveries in Canada, the British Empire and the United States directly, or indirectly, under government control."

Increased consumption of nickel was most marked in the United States, where it is estimated over two thirds of the entire world production was used during the year, as contrasted with an average annual consumption of about one third in prewar years.

"What the future may hold in store depends in large measure upon the duration of the war," Mr. Stanley states. "Prompt increase of industrial production will determine that duration. Your management is directing every means at its command—technical resources and operating experience, men, money and machines—to produce the maximum of metals in the minimum of time. Only the wide application of this procedure will assure the vast supplies so urgently required by our armed forces.

"Our postwar position will be determined largely by our achievements during the war. The paramount objective of your management is so to direct the co-ordinated activities of all employees, supported by our total resources, that we will make the greatest possible contribution in this grave situation."

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Net sales	169,722,916	143,702,956
Less: Cost of sales	91,250,077	74,692,086
Operating earnings	78,472,839	68,740,870
Add: Invest. income	853,929	560,651
	79,326,768	69,301,521
Less: Res. for taxes	26,328,792	21,130,703
Depr. & depletion	12,883,552	7,631,020
Retire. system	2,473,702	2,005,624
Conting., etc.	3,284,321	2,989,402
Net profit	34,356,401	35,544,772
Less: Pref. divds.	1,933,899	1,933,899
Common divds.	29,156,338	29,156,338
Surplus for year	3,266,164	4,454,535
Add: Prev. surplus	75,747,752	71,293,217
Less: Exch. in suspense	2,461,542	2,461,542
Surplus forward	76,552,374	73,286,210
Earnings per Share & Dividend Record:		
Pref.: Earned	124%	129%
Paid	7%	7%
Common: Earned	2.22	2.30
No. of Shares Outstanding:		
$5 & $100 par pref.	$27,627,825	$27,627,825
Common (shs.)	14,584,025	14,584,025
Working Capital		
	$	$
Current assets	122,145,214	103,597,701
Current liabs.	39,187,665	28,597,721
Working capital	82,957,549	74,999,980

Mining Concentrates

Abasand Oils expects to have its plant at McMurray, Alta., rebuilt about the end of next month, states president Max W. Ball. New plant will produce about 50% more oil than the old, he states. The first plant was damaged by fire. Oil is recovered from the tar sands of the Athabaska region.

* * *

Bralorne Mines has declared its regular quarterly dividend of 20 cents a share plus the regular extra of 10 cents, both payable April 15, record of March 31.

* * *

Bidgood-Kirkland is holding production around $40,000 monthly and it is expected that an operating profit of about $8,000 monthly can be secured. Best milling rate is around 125 tons daily and no increase beyond this is planned at present Bulk of mill equipment and supplies are on hand for the next year but some difficulty may be experienced in replacing certain parts.

* * *

Island Mountain Mines remained inactive in 1941. Annual meeting will be held March 23, 1942, in Winnipeg. Balance sheet at Dec. 31, 1941, shows current assets of $12,805, current liabilities of $80. Advances from Ventures are shown at $190,456.

* * *

Leitch Gold Mines shareholders were told at their annual meeting that they have plenty of time to consider eventual sinking through the 550-ft. diabase sill with an eight years' supply of ore estimated in sight. On the adjoining Sand River property two drill holes have disclosed ore below the sill. Working capital is reported at over $600,000. This year's results are expected to equal those of 1941 and officials expect the dividend rate to be maintained.

Tell How Axis Uses Gold As Propaganda Lever

That Axis propagandists have made a desperate attack on gold to upset the democracies, is the thesis of two individuals writing to The Financial Post—A. N. Wolverton, of the Vancouver brokerage firm of that name and Rod. Kennedy of Inspiration Mining and Development Co. Said Mr. Wolverton:

"One of the most insidious and at the same time widely publicized forms of German propaganda is the question of the necessity and integrity of the gold standard.

"It is really astonishing what innocent channels are used for wide distribution of that propaganda. Indeed, newspaper correspondents of unblemished reputation sometimes unwittingly use in their news stories carefully prepared material which has undoubtedly originated in Berlin. Such propaganda emphasizes the statement that there is now only one ultimate purchaser of gold—the wealthiest country in the world.

"At the same time—strange as it may seem—every dictator of every totalitarian nation—whose principles are completely based upon force and might—as distinct from freedom and right — invariably seeks to loot the gold reserves of each unfortunate victim nation as a matter of immediate policy.

"As a matter of form—in order to partially legalize such pure loot—paper currency of entirely problematical value is forced upon each victim at an arbitrary exchange value and exchanged for that good gold universally recognized as sound.

"While modern civilization has developed an indirect instead of a direct gold standard, nevertheless every currency which has successfully developed and maintained anything like permanent prestige and integrity has been at least indirectly based on that gold standard."

Rod. Kennedy Says

Of the Axis and gold, Mr. Kennedy has this to say:

"The gold situation offered the Nazis an opportunity 100% certain to grievously harm the democratic peoples. I do not believe that Goebbels and his crafty assistants overlooked this opportunity. I believe that the 'Whispers of Death' regarding gold originated in Berlin, and were rebroadcast through the democratic countries by highly paid Axis agents, and unfortunately by the thoughtless democratic editors, feature writers, half-baked economists, greedy speculators and millions of babbling tongues who unconsciously helped the Axis propaganda machines finish the job.

"The gold hoax wholly or partially destroyed the credit of millions of individuals. Moreover, the discussions, predictions, rumors and controversies which have followed, have kept occupied the minds of scores of millions, and this factor is of priceless value to the Axis. The Nazis definitely know well in advance exactly when they would do or say things to jolt and confound the democratic peoples. If they took advantage of all this secret information, which they likely did, and 'short sold' mining stocks, they probably secured at our expense the tremendous amounts required to pay the salaries, bribes, etc., of their fifth columns, operating throughout the democratic world."

The Week In Oils

From Our Own Correspondent

CALGARY. — The prime reason why the Alaska highway is being constructed along the inland route through Alberta and the northeast tip of B. C. rather than along the coast route is, according to Washington, the fact that the inland route can be more easily defended.

Washington's second reason may be equally as important—the inland route runs through Alberta's proved and potential oil areas, the closest source of high grade oil supply for vital loads of supplies

Tanker losses along the coasts, diversion of tankers to the far Pacific, and shortage of tank cars and other means of oil transport in the United States, have once again proved the strategic value and vital importance of further stimulating development in Alberta's relatively undeveloped oil areas.

* * *

Output at Peak

Alberta's oil production is now running at the highest level in history—around 30,000 bbl. per day—but demands, even before the first orders were placed for petroleum products for the Alaska road, still exceed the supply. Crude oil and refined products stocks in Alberta are considerably lower than at this time last year. The prairie consumer of gas "for pleasure" is in exactly the same position as the pleasure consumer in eastern Canada or the Pacific coast.

During the month of January, Alberta oil and natural gasoline production averaged 27,815 bbl. per day, compared with 25,427 bbl. per day in January, 1941, and 15,195 bbl. per day in January, 1940, according to returns released by the Conservation Board. Revenue from sales of oil and natural gasoline averaged $42,868 in January, 1942, compared with only $32,059 in January, 1941, and only $18,311 in January, 1940.

* * *

New Drilling Records

New records were set in Turner Valley this week. The number of drilling wells rose to a new all-time high of 32. In addition, a record-breaking number of new locations—10 to be exact—were staked, ready for early drilling.

Spudded in were: Home Millarville No. 12, west offset of Major No. 2 in L.S.D. 9 5-21-3w5; Lion-Davies No. 1 in L.S.D. 3 14-22-4w5 in the far north extension; and Miracle Royalties No. 3, south offset of Alberta Oil Incomes No. 2 in L.S.D. 13 33-20-3w5.

The 10 new locations—all in the north extension—are as follows:

Atlas-British Dominion No. 3, in L.S.D. 3 17-21-3w5, quarter of a mile east of the field's present most northerly producter, Atlas-British Dominion 2.

Ensign Royalties No. 1, in L.S.D. 3 20-21-3w5, quarter of a mile east of Northend 3 and a mile north and east of Atlas-British Dominion 2.

North Clonmel Pete. No. 1, in L.S.D. 16 7-21-3w5, three eighths of a mile southwest of Atlas British Dominion 2.

Northend Petroleums No. 4, in L.S.D. 9 25-21-4w5, three quarters of a mile northwest of the drilling Hastings Royalties No. 1 well.

Northend Petroleums No. 5, in L.S.D. 5 20-21-3w5, quarter of a mile north of Northend 3 and one and one quarter miles north of Atlas-British Dominion 2.

Northend Petroleums No. 6, in L.S.D. 16 2-22-4w5, half a mile east of the drilling Major 14 well.

Northend Petroleums No. 7, in L.S.D. 3 11-22-4w5.

Northend Petroleums No. 8, in L.S.D. 6 11-22-4w5.

Northend Petroleums No. 9, in L.S.D. 7 11-22-4w5, located, as are Northend Nos. 7 and 8, in the south half of section 11-22-4w5, north of the drilling Major Nos. 5, 12 and 14 wells and south of the drilling Lion-Davies and Northcross tests.

Strathcona Royalties No. 1, in L.S.D. 13 30-21-3w5, about three quarters of a mile northwest of Hastings Royalties and three eighths of a mile northeast of the Northend No. 4 site.

National Malartic Opens North Ore

Exploration of the new north ore body at National Malartic Gold Mines, located by a crosscut in January, shows it to be an oval-shaped occurrence about 120 ft. long and 40 ft. wide.

Work to date in this sector has disclosed approximately 250 tons of ore to the vertical foot with an average cut grade of over $10 a ton.

Both drifts have passed the end of the ore body but at the beginning of March, ore was located again in the east drift on the 500-ft. level indicating a second lens of ore about 50 ft. east of the first.

Drifts are now being run in both directions from the main crosscuts on each level and the diamond drill is exploring laterally from these headings.

During February, 564.6 ft. of drifting and crosscutting were completed on the 500 and 700-ft. levels in the north ore zone. A total of 467 ft. of diamond drilling was used to outline the first north ore body.

Reno Shareholders Approve Distribution

VANCOUVER.—Reno Gold Mines will distribute, about the middle of April, 20 cents a share as a return of capital, and shareholders will still have an equity in cash assets of from $130,000 to $150,000 and in 40% of the operating profits of Central Zeballos Gold Mines on Vancouver Island.

As a return of capital the distribution will be tax free.

Action toward distributing the capital was approved at a special shareholders' meeting in Vancouver. A previous meeting had been unable to rally the requisite 75% of the shares voted by a small margin.

The Reno mine produced gold in the Sheep Creek area from Aug., 1929, until Oct., 1941, to the value of $5 millions, and $940,000 was paid out in dividends.

Mining Company Reports

Central Patricia

Comparison of 1941 Central Patricia Gold Mines results with those of 1940 shows:

Earnings of 25 cents a share against 26 cents.

Ore reserves of 442,499 tons of 0.41 oz. grade against 437,975 tons of the same grade.

Production higher at $1,950,549 from 142,650 tons of ore against $1,888,633 from 118,803 tons in 1940.

Increased mill capacity allowed treatment of lower average grade ore in 1941. The increase in production was more than offset by higher costs including the cost-of-living bonus which absorbed $28,926. During 1942, it is planned to continue exploration of areas, underground and at surface, where geological conditions are considered promising.

Development of levels at 1,600, 1,750, 1,900 and 2,050 ft. was continued in 1941 and levels at 750, 1,000 and 1,300 ft. were extended to develop known ore zones and for general exploration. Development of the western zone on the 1,600-ft. level disclosed ore body F-16-4, 54 ft. long, 15 ft. wide, grading 0.31 oz. per ton. This shoot is represented by a 0.11 oz. body of smaller dimensions at the 1,900-ft. level. No extension of the F ore bodies has been found at the 2,050-ft. level but exploration is not complete.

Sinking of a winze from the 2,050-ft. level was started in December to open levels at 2,200, 2,350, 2,500 and 2,650 ft.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Production	1,950,549	1,888,633
Less: Marketing	23,960	23,408
Net production	1,926,589	1,865,225
Less: Surface explor.	25,840	16,037
Explor. & develop.	177,364	207,657
Mining	434,025	325,189
Milling	183,201	155,208
Gen. mine expense	89,945	72,869
Admin. expense	32,505	32,637
Oper. profit	983,709	1,055,628
Add: Sundry revenue	29,041	25,777
	1,012,750	1,081,405
Less: Depreciation	138,022	146,356
Tax reserve	248,018	233,224
Development w/o	......	34,924
Outside explor.	8,534	7,802
Net profit	618,176	659,099
Less: Dividends	575,000	575,000
Surplus for year	43,176	84,099
Add: Prev. surplus	884,681	800,582
Less: Investment w/o	110,000	......
Surplus forward	817,857	884,681
Earnings Per Share and Dividend Record:		
Earned	$0.25	$0.26
Paid	0.23	0.23
No. of Shs. Outstand.	2,500,000	2,500,000
Working Capital		
Current assets	1,401,753	1,408,011
Current liabilities	472,118	432,948
Working capital	929,635	975,063

Silbak Premier

With marked reduction in write-off for depletion, Silbak Premier Mines in 1941 realized a profit of $339,792 equal to 13.6 cents a share compared with 7.6 cents in 1940.

Production was $1,458,948 from 170,504 tons of ore against $1,488,586 from 171,504 tons in 1940.

Ore reserves showed a sharp increase in tonnage totalling 184,236 tons averaging 0.24 oz. gold and 2.87 oz. silver as contrasted to 135,919 tons running 0.25 oz. gold and 3.18 oz. silver a year earlier.

Payment for the Cascades No. 5 claim was completed during the year. President H. A. Guess describes underground operation in 1941 as "fairly successful." Development of continuous ore body in the Cascades-B.C. Silver section and several smaller ore bodies has improved the outlook for the west ore zone.

Drawing of ore from old stopes was increased in 1941. There is stated to be no indication of early exhaustion of mill feed from this source on which a low profit can be made. No ore was found on the Premier Border property.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Ores sold	1,458,948	1,488,586
Less: Oper. expenses	868,066	992,735
Oper. earnings	590,882	495,851
Add: Misc. income	2,906	12,812
Total net earnings	593,788	508,663
Less: Admin. expense	8,128	8,015
Prov. for taxes	145,200	50,000
Depletion	86,041	215,387
Depreciation	6,662	19,123
Development w/o	7,965	24,393
Net profit	339,792	191,745
Less: Prev. deficit	......	159,462
Dividend approp.	339,792	32,283
Balance forward	nil	nil
Earnings Per Share and Dividend Record:		
Earned	$0.136	$0.076
Paid*	0.16	0.16
*Paid from current earnings and depletion reserve.		
No. of Shs. Outstand.	2,500,000	2,500,000
Working Capital		
Current assets	1,414,702	1,437,142
Current liabilities	334,762	236,118
Working capital	1,079,940	1,201,024

Toburn

Reflecting effects of the Kirkland Lake strike, Toburn Gold Mines had a less satisfactory year in 1941 than in 1940. Earnings declined from 22 to 17 cents a share as output dropped and ore reserves fell to 114,325 tons of 0.53 oz. grade from 145,900 tons of 0.56 oz.

Depth development programme to open up the section from 1,325 to 2,475 ft. got well under way. Of 3,968 ft. of work completed in this section, 761 ft. was in ore, yielding 2,328 tons of mill feed. Development and diamond drilling indicated that vein fractures at depth are confined to zones instead of the numerous irregular flat-lying veins found previously on the upper levels.

Drifting north at the 2,475-ft. level intersected several quartz veins carrying low gold values and drifting is being done on them.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Production, less mktg.	1,083,457	1,281,838
Less: Oper. expenses	571,096	623,993
Administration	7,661	6,729
Net oper. earnings	504,700	651,116
Add: Misc. earnings	......	719
Less: Deprec. & deplet.	54,341	54,466
Exploration w/o	......	30,217
Taxes	141,295	152,576
Net profit	309,064	414,576
Less: Dividends	333,000	370,000
Surplus for year	*23,936	44,576
Add: Prev. surplus	546,107	604,577
Less: Contin. Kirk. w/o	1,002	81,672
Beaverhouse w/o	......	21,374
Exam. & expl. w/o	160,685	......
Surplus forward	360,484	546,107
*Deficit.		
Earnings Per Share and Dividend Record:		
Earned	$0.17	$0.22
Paid	0.18	0.20
No. of Shs. Outstand.	1,850,000	1,850,000
Working Capital		
Current assets	1,021,438	1,069,855
Current liabilities	167,936	202,961
Working capital	853,502	866,894

Magnet Consolidated

With bullion production over 10% lower, Magnet Consolidated Mines earnings were lower at 9.8 cents a share in 1941 compared with 14 cents in 1940. Since more than the net profit was paid out in dividends, working capital was approximately $100,000 lower at $134,700.

Relatively little development was carried on during the year but ore reserves were increased 5,000 tons to 114,000 tons.

A total of 47,731 tons or ore were milled in 1941 averaging 0.556 oz. gold—a higher tonnage and lower grade than in the previous year.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Bullion production	976,859	1,105,148
Less: Marketing	11,457	11,956
Oper. costs	469,320	480,902
Oper. income	496,082	612,290
Add: Other income	2,947	6,931
Total net earn.	499,029	619,221
Less: Taxes	67,400	67,259
Depreciation	68,938	71,786
Development w/o	67,788	53,619
Int. & exchange	......	500
Net profit	294,903	426,057
Less: Dividends	375,000	300,000
Surplus for year	*80,097	126,057
Add: Prev. surplus	302,913	176,856
Less: Tax adjustment	358	......
Surplus forward	222,458	302,913
*Deficit.		
Earnings Per Share and Dividend Record:		
Earned	$0.098	$0.14
Paid	0.125	0.10
No. of Shs. Outstand.	3,000,000	3,000,000
Working Capital		
Current assets	273,404	337,927
Current liabilities	138,704	101,339
Working capital	134,700	236,588

San Antonio

Highlights of the annual report of San Antonio Gold Mines for 1941 are:

Working profit at new high of $951,701 compared with $740,099.

Extension of mill capacity from 325 to 550 tons daily by the end of the year.

Ore reserves at a new high of 908,609 tons compared with 756,718 tons.

During 1941, 137,415 tons of ore were milled compared with 122,365 tons the preceding year. Production was 43,121 oz. of gold for 1941, a new high, increase of approximately 6,500 oz. over 1940. Average tonnage treated during 1941 was 376 tons a day while the mill was handling 550 tons at the close of the year.

Total development footage was 11,132 ft. of which 8,445 ft. was done below the 10th level. Ore discovered during the previous year was extended and some new ore was developed. In all 3,121 ft. of "A" ore were developed with an indicated average width of 7 ft.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Gold output, less mktg.	1,640,353	1,397,594
Less: Mining	517,942	508,003
Milling	164,060	148,628
Admin. & gen. exp.	24,954	21,326
Oper. income	933,397	719,637
Add: Misc. income	18,304	20,462
Net earnings	951,701	740,099
Less: Depreciation	202,135	93,963
Income taxes	205,000	165,000
Net profit	544,566	481,136
Less: Dividends	478,618	469,584
Surplus for year	65,948	11,552
Add: Prev. surplus	663,636	650,174
Capital surplus	......	2,336
Adjustment	5,906	......
Less: Adjustments	......	426
Surplus forward	735,490	663,636
Earnings Per Share and Dividend Record:		
Earned	$0.23	$0.20
Paid	0.20	0.20
No. of Shs. Outstand.	2,393,013	2,348,013
Working Capital		
Current assets	800,756	774,626
Current liabilities	74,912	207,817
Working capital	725,844	566,809

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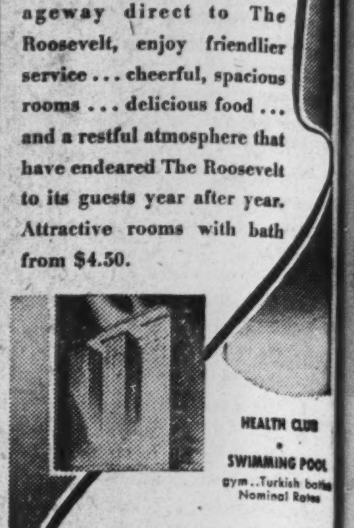

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Mining and Oil Stocks and Your Income Tax

Oil and Mine Company Taxes Governed by Seven Acts

By GORDON M. GRANT

While the individual at this time of year finds personal income tax returns increasingly onerous, his problem is perhaps more simple than that of the mining company in working out its taxes—and other payments that must be made to the government.

According to a survey completed by Dr. Charles A. Camsell, Deputy Minister of Mines & Resources at Ottawa, there are seven acts of parliament which directly affect mining and oil company costs. These are:

1. The Income War Tax Act (including N.D.T.);
2. The Excess Profits Tax;
3. The War Exchange Conservation Act;
4. The Special War Revenue Act;
5. The Unemployment Insurance Act;
6. The Companies Act;
7. The Customs Tariff.

Multiplication of mine and oil company taxes has arisen through the war. Besides these imposts there is other legislation on the books which conceivably may involve companies in expense. The Metals Controller has the power to order expansion if he desires. **The previous exemption of the mining industry from the control on new construction was removed on Jan. 30, 1942, and any new construction or repair to mining plants amounting to over $5,000 requires a license.** Export of certain commodities also requires a license.

Taxes are still perhaps the biggest factor determining what future mining profits are going to be. How the seven acts mentioned above affect individual mining and oil companies is reviewed below:

1. THE INCOME WAR TAX ACT.

Most important single impost mining and oil companies must meet is the 18% corporate income tax which comes under the Income War Tax Act. "Income" is net profit from production plus net income from other sources including dividends, interest, rentals, etc.

Under the act depreciation on buildings, plant and equipment is allowed at 15% of cost. Depletion—theoretically the rate at which a mine exhausts its assets—is allowed at 33 1/3% of net profits from production after allowance of depreciation and all operating expenses including allowance for pre-production development expenses. The depletion allowance continues as long as the property is in production.

Oil Well Depletion

Depletion allowance for oil wells in general is 25% of net profits from production and 10 cents a ton for coal mines. Depletion rates vary for other non-metallic mines.

Things for which no taxation allowance as expense is at present made are:

(a) Development by previous operators.
(b) Discount on shares sold.
(c) Outside exploration.
(d) Expenses not relative to the business.

Charitable donations, however, are allowed as an expense up to 10% of taxable income in 1941 or up to 5% in 1942.

While the general rate of corporate income tax is 18%, for companies that consolidate their operations with subsidiaries the rate is 20% on the consolidated income. Consolidation is permitted only "on election" and under certain conditions.

New Mine Exemptions

The special **three-year tax exemption** for metal mines comes under the War Income Tax Act, applying to mines coming into production between May 1, 1936 and Jan. 1, 1943. Because of an allowance of six months as an adjustment or tuning-up period, the exemption period is in reality 3½ years and the mine must actually start shipping or milling operations **on or before June 30, 1942** to qualify. A mine starting production on that date would continue exempt from corporate income tax until Jan. 1, 1946.

Trading in mining claims where no bona fide prospecting is carried on is subject to a tax on profits but profit on sale of claims resulting out of actual development is regarded as a capital gain and hence not subject to tax.

The national defense tax may be regarded in a sense as a burden on the mining industry as it reduces the attractiveness of mining shares and must be collected by the mining company both on dividends paid and employees' wages.

2. THE EXCESS PROFITS TAX

The Excess Profits Tax Act requires the payment of a 22% tax on profits per annum or payment of 75% of the excess profits in the taxation period over the average yearly profits of the standard period, whichever of these taxes is the greater. Including the E.P.T. with the corporate Income Tax, this means a minimum Dominion tax of 40% less allowance for depletion, depletion being the same for the E.P.T. as the corporate income tax.

The standard period is defined as the calendar years 1936 to 1939, both inclusive or such years or fiscal periods or portions thereof since Jan. 1, 1936, during which the taxpayer was in business, provision being made that the standard period may exclude any one calendar year where the profits of that year, after adjustment in accordance with the provisions of the act, were less than 50% of the average of the profits of the remaining three years.

If the company was in operation for only three years of the "standard period" one year may be dropped under similar conditions and the average of the remaining two years taken. In no case must standard profit be less than $5,000; if standard profit is less, E.P.T. does not apply.

Gold Mining Special Case

Standard profits for new gold mining enterprises are determined by deducting all operating costs of the taxation year (1941 or 1942, etc), including depreciation and any allowance in respect of preproduction development expenses, from the amount that would have been received for the production at the average price of gold prevailing during the standard period. The price will be determined to be $35.38 an ounce. The difference between the standard profits (not less than $5,000) so determined and the actual profits of the year of assessment is the excess profits which, after depletion of 33 1/3% and 18% corporate income tax, are taxable at 75% unless 22% of the actual profits after depletion produces a greater tax.

How It Works Out

In practice, the 75% tax is never calculated on more than a net profit of $3.12 an ounce, before depletion allowance. This is the difference between the $38.50 ($35 plus 10% premium) and the average price during the standard period, $35.38. **If the actual profits realized in the taxation period are not equal to $3.12 an ounce, the 75% tax is calculated on such actual profits to the extent that they exceed the $5,000 minimum standard. If there were no actual profits, there is no tax.**

In the case of old gold-mining enterprises that are expanding the profits of the standard period may be increased according to the increase in production in the taxation period, provided such increase is 10% or more in excess of the average production in the standard period. The excess profit in such case is the difference between the adjusted profits of the standard period and the profits that were actually realized in the taxation period after income tax allowance at the rate of 18% on such difference.

If 22% of the total profits of the assessment period, after depletion allowance, exceeds 75% of the excess profits after a third depletion and income tax allowance of 18%, the tax payable is 22% of the total profits; otherwise the tax is on the 75% basis referred to.

How Base Metals Treated

Base metal mines under the E.P.T. and Income Tax Act are in the same position as gold mines except that the gold formula is not applied either in adjusting standard profits or in determining a standard profit for a new mine. Base metal mines are dealt with on a capital-standard basis. In setting a standard profit for a new or a depressed base metal mine, the Board of Referees utilizes a capital-employed basis.

Oil Wells The Same

The position of taxpayers engaged in the operation of oil wells is, in principle, identical with that of gold mine operators under the E.P.T. Act, barrels of oil being the unit instead of ounces of gold. Standard profits for oil wells which have come into production since Jan. 1, 1938, are determined by the same procedure as given for new gold mining enterprises and in the case of old oil wells standard profits may be increased or decreased according to the increase or decrease of production in the taxation period as compared with the production in the standard period.

3. EXCHANGE CONSERVATION

Under part three of the War Exchange Conservation Act, the government has authority to make special arrangements with regard to taxation where the taxpayer can show that the tax situation prevents him from increasing or maintaining exports.

An amendment in 1941 extended the legislation to cover oil producers with a view to removing tax obstacles which might retard new drilling operations. Under the amended legislation, the Minister of Finance may grant assistance by way of special tax credits or special allowances for depreciation or depletion under the Income War Tax Act and/or the Excess Profits Tax Act if the special assistance will mean either that exports will be increased or **conserved.** Similar assistance will be given for drilling of oil wells

This legislation allows the negotiation of special contracts. Certain concessions can be made in exchange for an undertaking on the part of a taxpayer to proceed with a project which will provide additional foreign exchange.

4. SPECIAL WAR REVENUE

A number of taxes levied under this act affect mining: The chief are: sales tax, excise tax and the war exchange tax.

Sales tax—8% rate applies to practically all goods produced in Canada or imported. Mine cars, blasting and mining powder, coal mining machinery, diamond drill stones, and pit props are exceptions.

Special Excise Tax—3% rate applies on duty-paid value of goods imported into Canada subject to entry under the general tariff.

War Exchange Tax—10% general tax on free or dutiable goods; tax does not apply to goods entering under British preference or from trade agreement British countries.

Excise Taxes—Varying specified rates.

Transportation Tax — 10% on passenger traffic; affects mining.

Stamp and communications taxes must be paid.

OTHER "TAX" PAYMENTS

Since July 1, 1941, mining companies have been making payment under the Employment Insurance Act. All employees earning under $2,000 a year are covered. For mine employees earning under 90 cents a day or under 16 years of age, the employer pays 27 cents a week. Over that minimum class the employee pays a part.

Under the Companies Act, the fee for a company charter or supplementary letters patent range from $100 for a company with a capital of $50,000 or less, up to $400 for a $500,000 charter.

Mining companies must pay the custom tariff but a wide range of mining machinery and equipment enters Canada free from customs duty under all three tariffs: the British Preferential, the intermediate tariff and the general tariff.

Depletion Allowance Important To the Individual Tax-payer

With tax rates climbing to new high levels this year, most people will try not to over pay their tax bills though they may have been careless about some minor sums in the past.

For years, holders of mining and oil stocks have received a special capital return allowance called depletion. But returns, however, shown many people failing to take advantage of the depletion clause. When tax rates were low, many people didn't consider it worth the trouble to secure this allowance for depletion. Others didn't fill in the allowance for depletion space because they didn't know the rate of depletion which applied.

While the National Defense Tax makes the income tax form more intricate, the attractiveness of the depletion allowance is greater than ever. Depletion is allowed on both National Defense Tax and personal income tax.

20% Depletion For Mines

For producing mining companies, the allowance for depletion remains at 20%. In other words, income tax has only to be paid on four-fifths of the dividend income received.

Not all mining company shareholders can get the exemption for depletion, however. Producers like International Nickel, Hollinger, McIntyre or Sherritt-Gordon, entitle the dividend receiver to deduction for depletion, but there is no allowance on dividends from mine holding companies such as Ventures or Anglo-Huronian. As mine holding companies are allowed depletion on the dividends they receive, their shareholders cannot be allowed depletion on their dividends too.

Oil Companies 20%—Royalties 25%

The capital-return allowance for producing Canadian oil companies is also 20% except in the case of International Petroleum where the rate is 10%. "Pete." classifies as a foreign company.

On oil royalties the rate of capital return allowance is 25%. Since there is no income held back and all capital must be returned along with income, the rate of allowance is higher on oil royalties than for ordinary mining or oil companies.

The N. D. T. is one of the taxpayer's smaller worries at this time of the year. Deducted at the source the mining and oil company shareholder doesn't usually have to dig down to find extra money for it. Oil royalty holders, however, pay their National Defense Tax along with their Income Tax as no deduction is made during the year for this tax.

The general N. D. T. rates, less depletion allowances, hold for both mining and oil returns.

Deduction of N. D. T. from dividend payments at present is 5% less allowance for depletion. The amount the individual is called upon to pay, however, varies according to the total amount of income received and the individual's status, married or unmarried, etc. Rates are given on the personal Income Tax blank.

Not the Only Taxes

Income and N. D. T. are the chief direct taxes which the individual is called on to meet but they are not the only taxes with which he may be directly affected.

If mining or oil is a business with you, the excess profits tax applies at a rate of 15% per annum less allowance for depletion. A 15% tax is also payable on dividends of non-residents of Canada. There is no allowance for depletion or capital return as this tax is not an income tax. A non-resident tax of 15% also exists on returns from oil royalties.

Bona fide prospectors don't have to pay income or defense tax on their "winnings" but promoters rather than developers may have to pay tax on promotional profits where development of mining or oil assets has not been the primary interest.

May Make Tax Deals

Companies are not the only parties that can make special tax deals with the Dominion government where there is a question of U. S. dollars involved. As an individual, you may be able to save money on your future tax bill by showing how you can increase Canada's resources of United States dollars for the war effort.

The applicant must show conclusively, however, that an adjustment of taxes in his case is necessary in order to enable him to expand his export business, to maintain his exports or to drill new oil wells in order to provide these U. S. dollars.

Allowances for depletion have become of great importance to the mining investor as tax rates have risen. The fact that certain mining companies — and certain oil companies — have had better results than others has important implications from a depletion allowance viewpoint. A company such as International Nickel Co. may have ore reserves sufficient for 50 years at the current rate of production. But the rate of depletion allowed is still 20% the same as for another company with only one year's ore in reserve.

Obviously the 20% allowance for depletion may be a very important item when a company has great ore reserves ahead. For an individual in one of the very high brackets of income tax, a 20% allowance for depletion of dividends on a company with great ore reserves is of first importance. Even to the small stockholder, this source of tax exemption is too important to overlook.

Important Facts About Mining and Oil Taxes

Metalliferous mines coming into production after June 30, 1942, will not enjoy a three-year exemption from the 18% corporation tax.

* * *

No depletion allowance is granted on mining holding company dividends but 20% capital return allowance is made for producing mining and oil companies (except International Pete.) Oil royalties capital return allowance is 25%.

* * *

In determining the EPT of a new or depressed base metal mining enterprise, the Board of Referees uses a capital-employed basis.

* * *

Special tax treatment can be secured for conservation of supplies of U. S. dollars as well as securing increased supplies of U. S. dollars.

* * *

Mines have many taxes to bear but many items of mine equipment are allowed to enter the country duty free.

* * *

National defense tax is deducted at the source on mining and oil company dividends but must be paid along with income tax on oil royalties.

* * *

Individuals as well as companies can secure special tax assistance from the Dominion government if the country's U. S. dollar position can be thereby improved.

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How Can I Meet the New Double Death Duties?

Many a man is surprised to learn that if he died, succession duties would be levied not only on the actual assets forming his estate but possibly also on other property he may have previously owned or controlled. Gifts which he has given within a certain number of years are also taxable. With each province imposing succession duties on scales and terms varying from each other and from the Dominion, many problems result.

In this second article in a series on death duties, W. E. N. Bell discusses the types of property on which succession duties are levied and how the eventual collection of all such taxes could be taken over more efficiently by the Dominion. Mr. Bell is a graduate of Osgoode Hall Law School and is associated with the Manufacturers Life Insurance Co. Since 1937, he has specialized in tax matters and problems affecting estates. Mr. Bell is a graduate of the University of Toronto; was a member of the Varsity rugby team, and captained the Canadian cricket team sponsored by Hon. R. C. Matthews that visited England in 1936.

How Do I Stand on the Gift Question?

By W. E. N. BELL
Taxation and Insurance Consultant

At the time of a man's death, his estate for succession duty purposes is composed not only of property actually forming the assets of his estate but certain other property which he may have owned, or controlled, or been instrumental in creating at one time or another during his lifetime. The Dominion, and most of the provincial succession duty acts tax life insurance on the deceased's life, irrespective of to whom it may be payable, if the premiums were paid by the deceased and such life insurance is treated as property in arriving at the aggregate estate for tax purposes.

Joint Property

Joint property owned by the deceased and his widow, to the extent that such property was provided by the deceased, is included as part of his taxable estate. For example: if Mr. and Mrs. Smith own a house jointly, or have a joint bank account, on Mr. Smith's death, the house or bank account will immediately become the property of Mrs. Smith, but such property, to the extent that it was provided by Mr. Smith, will be subject to tax and will be included as a part of Mr. Smith's estate for the purpose of ascertaining the aggregate estate and the rate at which the estate is to be taxed.

Any dower rights to which a wife may be entitled are treated as property of the deceased. This also applies to property which was given by the deceased under a marriage settlement.

Gifts as Part of Estate

In addition to these clauses supplementing the ordinary meaning of property, all of the succession duty acts have provided that gifts made by the deceased within certain and differing periods of his death are to be deemed to form part of his estate, on his death, for tax purposes. Such a provision is obviously necessary for otherwise a person might dispose of his entire estate a short time before his death and avoid the tax entirely. In this connection the ability of the Dominion government to tax with efficiency and with least embarrassment to the taxpayer is again illustrated. While a person cannot be permitted to dispose of his estate or a portion of it shortly before death with the intention of avoiding tax by doing so, it is desirable, in order that the succession duty tax may not become burdensome and impossible to administer with equal justice to all, that the period should be as short as possible.

The Dominion government has been able, by combining with their succession duty legislation a revision upwards in the gift tax section of the Income War Tax Act, to shorten the period to three years. In other words, the Dominion Act provides that a gift made more than three years prior to death will not be treated as part of a person's estate at the time of his death. This compares with 20 and 30 years in Ontario.

The Dominion government can do this and still enforce its succession duty legislation efficiently; for, if any gift is made in an amount greater than the exemptions permitted under the gift tax section of the Income War Tax Act, the gift is taxed at the time it is made and thus the Dominion government receives, as it were, a portion of the succession duty tax immediately, instead of waiting until the death of the donor to receive a slightly higher tax.

Gift of $24,000

For example, if a man with an estate of $200,000 transferred stock in his business valued at $24,000 to his son, a gift tax of $1,800 would be payable prior to March 31 in the year following that in which the gift was made. If the donor lived for three years or more after the date of the gift, the $24,000 would not be subject to Dominion succession duties. If the donor died during the three year period, the $1,800 paid by way of gift tax, would be allowed as a deduction against Dominion succession duties. If the donor had not given his son the $24,000, and had lived for 15 years and then died the $24,000 would be liable to a Dominion tax in his estate of $3,360. It paid the donor to make the gift and yet, as a result of the gift, the Dominion had the use of $1,800 for 15 years to compensate it for an eventual loss of $3,360 in succession duties. Gifts will probably not be made to such an extent that the succession duty tax will be defeated for such gifts demand a present sacrifice on the part of the donor to provide a future benefit for his heirs.

If the Dominion taxing authorities feel, however, that too much is being given away and succession duties are suffering as a result, the remedy is at hand, for such a situation can soon be stopped by an increase in gift tax rates and a lowering of exemptions. The donor does have the satisfaction of knowing, however, in making a gift that as far as the Dominion government is concerned, such transactions will be finally completed in three years time and no future liability for Dominion Tax will exist after that time.

Contrast this with the situation in Ontario where, if a man gives something to his wife, he must live 30 years before it will be free of Ontario succession duties. The provinces have not deemed it feasible to levy a gift tax and some of them have felt that they are therefore forced to add to the number of years by which a person has to survive a gift to make it free from tax.

The reason for the provinces doing this is sound enough. They simply say that a succession duty tax is passed with the intent of taking a certain portion of a man's estate, the portion being dependent, among other things, on the size of the estate. If the person who makes the gift, had not made it, his estate would be increased by the amount of that gift. The provinces feel, therefore, that as far as possible they are going to assume that any such gift forms part of the deceased's estate and is subject to tax. What seems possible and reasonable to the various provinces, however, in this regard differs greatly.

Quebec provides a five-year period, British Columbia two years, Alberta 10 years, Saskatchewan 20 years, New Brunswick and Manitoba five years, Nova Scotia and Prince Edward Island three years. Ontario provides that the period by which a person must survive a gift to have it free from tax is 20 years, as far as gifts to close relatives other than a wife are concerned, while gifts to a wife and strangers must be made more than 30 years prior to death, to be free from tax.

Difficult to Equalize

The longer the period, the more difficult it is to enforce the legislation with equal justice to all and in such a way that an estate will not eventually find itself being penalized for gifts made by the deceased about which the executors knew nothing, and the heirs had forgotten.

Gift taxes and succession duties go logically together. If the Dominion government is to take over the eventual collection of the succession duty tax for the provinces, no doubt a further adjustment could be made in Dominion gift tax legislation raising the tax still further to permit compensation to be paid to the provinces immediately a gift is made. The donor would at least know that, while the gift would be subject to a substantial tax, it would not again be taxed in his estate if he lived for some short number of years after the gift was made.

Value of Property

The value of the property passing or deemed to be passing on the deceased's death is taken as of the date of death. If a gift is made long before a person dies and he fails to survive the required period, such gift is not valued for tax purposes at the time the gift was made, but at the time of the deceased's death.

For example: A gift of Bell Telephone stock might, in Ontario, be made to a child 15 years before death when Bell Telephone was selling at 75. At the time of death it might be selling at 150. The gift would be valued at the latter valuation. It is, of course, just as possible that the situation would be reversed and the taxpayer would in such an event benefit from a valuation at date of death.

Some of the provinces have provided a further limitation on "valuation at date of death" to the effect that if money is the subject of the gift or if the gift is subsequently converted to money it is the amount of cash received, and not the value of any asset into which such cash may be converted that will be the value for tax purposes.

"Most Unwise Decision" Says Montreal Gazette

Herewith is reprinted an editorial from The Gazette, Montreal, March 16.

A month ago the Minister of National Revenue, Colonel the Hon. C. W. Gibson, was quoted in a Canadian Press despatch from Ottawa as stating that merchants or others who advertise in a normal way in connection with their business activities need not fear that the cost of such advertising would be excluded from income tax exemptions. Only advertising of an unreasonable, excessive or unusual type to which the advertiser had never had recourse before and which might be regarded as a means of tax evasion, would be questioned. The Minister further stated that advertising in support of the second Victory Loan would be recognized as an expense to the extent of ten per cent beyond the advertisers' 1936-39 average. There was, said Mr. Gibson, no thought of penalizing business which had been expanding since 1936-39 when advertising bore a logical relationship to business requirements. There is a suggestion now that this policy is to be reversed.

An Ottawa despatch to The Financial Post, Toronto, forecasts a complete change in the official attitude toward both "contributed" and "normal" advertising appropriations, a discontinuance of the 10 per cent allowance and rigid control (for income tax purposes) of all advertising on the basis of the 1936-39 average. If this course is to be followed there threatens to be very serious results disadvantageous to legitimate business and to the Government's own money-raising enterprises. Commenting upon its own dispatch, The Financial Post urges that business firms should protest the proposed ruling with all their force and it backs this advice with cogent and weighty argument. It says that the great success of the Victory Loan campaign was due to the fact that enthusiasm snowballed from day to day as every avenue of publicity and education was brought into play. It makes the statement that without the notable contributions of generous space and brilliant "copy" by business firms all over Canada, the campaign might well have fallen exceedingly flat.

There is no exaggeration in these statements. When on Wednesday night last Prime Minister King, Finance Minister Ilsley and the Chairman of the National War Finance Comittee, George W. Spinney, thanked all those who had contributed to the success of the Victory Loan campaign they included the businessmen of the Dominion, individuals and firms, who had advertised the loan out of their own resources. "The great business institutions of this country," said Mr. Spinney, "have contributed extensive advertising space in the newspapers . . . and have helped in many other ways to develop the publicity programme. . . ." It seems incredible that assistance acknowledged to be so valuable is now to be discouraged by a government department. The Financial Post is justified in saying that "those charged with raising money for Canada's war finance should have some say in this decision."

As to the second part of the ruling said to be in contemplation, the limitation of advertising budgets which are not related to war campaigns, The Post points out, justly and reasonably, that while many firms will not have occasion to advertise beyond their pre-war levels, others will have good reason to do so, since well-directed educational work regarding products and services can contribute greatly to efficiency, and all-out efficiency of the country's economic machinery is needed in wartime. This proposition is unchallengeable. Government regulations, as The Post goes on to say, have changed the pattern of business, and it is essential that business firms keep the public informed upon the new conditions under which their goods and services are marketed. It is possible, of course, that the intentions of the Government in regard to these advertising questions have been misunderstood somewhere; if not, a great deal of harm is in prospect through a most unwise decision.

MORTGAGE MANAGER

Robert J. Hallawell has been appointed manager of the mortgage and investment department of Chartered Trust and Executor Co.

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Nova Scotia Budgets For Small Surplus

Estimated revenue for Nova Scotia for the fiscal year ending Nov. 30, 1942, was forecast at $13,932,424 by Premier A. S. MacMillan in his Budget speech. Estimated expenditures before sinking fund provision were $13,284,770. Sinking funds are being provided for in the sum of $635,492, an increase of $36,270 on the year, leaving an estimated surplus for the year of $12,162.

For the previous fiscal year revenue was $15,071,598 and expenditure $13,578,435, leaving a surplus of $983,942 after charging sinking funds of $599,222.

Premier MacMillan pointed out that if the province enters into the proposed tax transfer agreement with the Dominion revenue from gasoline will be reduced to 1940 basis, thus cutting down the province's revenue to nearly $200,000 below the 1941 figure. Rationing of tires, gas and parts it is estimated will further cut revenue between $200,000 and $300,000.

The Premier declared that the finances of Nova Scotia were never in as healthy condition as they are at the present time. The net funded debt of the province is approximately $78 millions, or about $136 per capita.

Cutting Funded Debt

During 1942 funded debt will be reduced by nearly $4.8 millions, the par value of three sterling loans which are to be paid off. Two sterling loans fall due in 1942 these being for £151,000 on July 1 and £180,400 on Sept. 30. In addition to these the province has called for redemption on Sept. 30 the sterling loan of July 1, 1904 amounting to £650,000.

These three loans will be paid off with the cash the province will receive from the Canadian National Railway in payment of the maturing Halifax and Southwestern Railway bonds amounting to $4,447,000. The difference will be more than made up by the discount on sterling funds.

London Calling

by Adelphi

LONDON.—A strange war this. As I have remarked before it is the politicians who hold the stage with the generals and admirals nowhere. However, we are hoping that now Mr. Churchill's new government has got going that results will be better. Perhaps if the government is put right we may soon find that the generals and admirals will emerge.

Have I mentioned Sir Stafford before? Well, I am sorry but he is the big noise just now if one can use a vulgarism about so austere a personage. It was a great scene when Cripps rose to make his first full dress speech as Leader of the House. Mrs. Churchill sat in the Gallery wearing a suit of many colors. Master Churchill in uniform, sat among his fellow M.P.'s. Mr. Churchill was not there. Like the artist that he is he did not want to take any of the limelight from his under-Secretary. Nevertheless he was in frequent consultation with Sir Stafford during the two days' debate. An hour before Cripps rose to speak he was walking up and down the lobbies with the Prime Minister to the great delight of the crowds who could not gain admission to the Galleries.

* * *

Good Voice—No Tricks

Cripps has a magnificent voice but plays no tricks with it. It is firm, sonorous and honest. There is never an obscure word. His language may lack color and drama but it is concise and coherent. While he had copious notes since he had to deal with 20 odd points raised in the debate, he said just as much or as little as was required and always identified the M.P. to whom he was referring by mentioning his constituency without any hesitation.

He did not try to pose as a substitute Prime Minister. He is not an actor. He essayed no rhetoric and his peroration consisted of one sentence only. In his practice at the Bar he pleaded nearly always in the High Court and seldom to a jury. Therefore he has come to eschew the tricks of the popular pleader.

His position is at once simple yet complex. He was defending an administration for whose misdeeds or mishaps he had no personal responsibility. On the other hand, he was committing the government to certain reforms and actions for which he would have to share responsibility.

* * *

Will Take Patience

It will take immense purposefulness and a relentless patience for him to impose his authority on the Cabinet.

Just examine his tactical position. He is not Prime Minister. Nor is he Deputy Prime Minister. He will not even answer questions for the Prime Minister in the House if Mr. Churchill is not present. That will be done by Mr. Attlee. A lesser man than Cripps could easily become lost in such a labyrinth, but I doubt if Sir Stafford will. He has no personal ambitions, he is tied to no party and he is not a careerist. He will support Churchill loyally but not at the expense of his own judgment. If he finds that his opinions are disregarded and that he does not approve of what his ministerial colleagues are doing he holds the threat of resignation in his hand. Should he decide to use it, then the Churchill Administration would be in peril. Cripps holds the key to Britain's political developments.

* * *

But He Did Smile

After the House had adjourned Randolph Churchill ran into Aneurin Bevan, the Socialist M.P. who edits Cripps' political weekly "The Tribune."

"Well," said Randolph, "how do you think your man did?"

Bevan grinned. "He was pretty good," he said. "Tell me—how do you think your man did?" For Winston Churchill had opened the debate.

Randolph had the grace to smile although it couldn't have been too easy.

* * *

Babies and Biscuits

One of the most remarkable episodes in the debate was the maiden speech of Mr. Garfield Weston who has been an M.P. for a couple of years or so. Mr. Weston, who comes from Toronto, and is now the biscuit king of Britain, looks about 35 but is nine years older. His family of 10 children are almost as famous as his biscuits.

He was nervous and adhered closely to his notes but he said what he wanted to say. According to him, Lord Beaverbrook had gone because he was sick of government by committee. Lord Beaverbrook should not have gone. "They say he has asthma. So he has, but he's had asthma for 20 years. If that's what asthma does to a man I wish that every member of this House was coughing so hard that they could not hear the words I am speaking." The House enjoyed that.

* * *

Shrewd—Impulsive

Garfield Weston is impulsive and generous as well as shrewd. When 20 Spitfires were shot down one day in the Battle of Britain, he gave Beaverbrook £100,000 to replace them. Later when Beaverbrook became Minister of Supply, Weston gave him £10,000 for tanks. I doubt if he has the patience for Parliament but the House listened to him.

* * *

Bouquet for Churchill

Averell Harriman emerged as the champion of Churchill when he spoke at a public luncheon. "I have no patience with carping critics," he said. "Britain's sacrifice in sending supplies to Russia was an important contribution which was worthwhile. Britain's victory in Libya and Eritrea was an extraordinary military achievement." Then he declared that the glory of Churchill was in all our hearts.

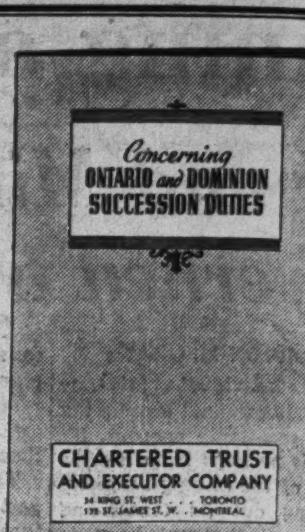
That must have come like sweet music to the Prime Minister's ears for he has gone through a lonely and parched period. Men hunger for power yet pay such a dreadful price. Three Chamberlains drank the hemlock—Joe when he made one government, broke another and saw his dream of Empire Preference die before his eyes . . . Austen when the Premiership was twice dashed from his hands and he died out of office and a poor man . . . Neville when he was brought down by the mishaps in Norway (what a minor incident it seems now) and became a lieutenant under Churchill until death stepped in and took him away . . . Stanley Baldwin who guided the nation through the abdication is the forgotten man or, if ever remembered, it is with a sneer.

Only Mr. Mackenzie King seems to have discovered the secret of riding every storm and reaching harbor safely.

* * *

Icelandic Weather

Averell Harriman is handsome and distinguished in appearance, with a soft attractive voice and the bearing of an aristocrat. His fur coat is the admiration and envy of us Londoners caught in the grip of a lingering Icelandic winter without a parallel in 50 years.



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Montreal Tramways general mortgage bondholders have been advised to send their bonds to the Montreal Trust Co. so they can be exchanged for the new series, under the terms of the scheme of arrangement.

Early compliance with this request is asked, as the first of the interest coupons on the new general mortgage bonds is due April 1 next.

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"PERSON-TO-PERSON" CALL

Just suppose this were a long distance person-to-person call. In ordinary times we know the length of conversation is unlimited.

During wartime things are different. Food and gasoline are rationed. The telephone user can ration his telephone talking time, too, and clear the circuits for calls of national importance.

When we think that aeroplanes, battleships, tanks, guns and munitions are needed in ever increasing numbers and that into every unit constructed goes hundreds of telephone calls, it is certainly not a hardship to be asked to curtail conversation on our telephones whether long distance or local.

To waste valuable minutes which could be utilized to further the giant tasks of supplying the equipment vitally necessary for the titanic struggle we are engaged in, is to be oblivious to the stark fate which faces our families and thousands of our fellow countrymen.

As a "Person-to-Person" call the message has reached you.

It is for you to use your telephone discreetly — that what is to be said shall be spoken as briefly and concisely as possible so that precious minutes shall not be lost.

It is Canada calling. Don't keep her waiting, she is busy these days.

THE NEW BRUNSWICK TELEPHONE COMPANY LIMITED

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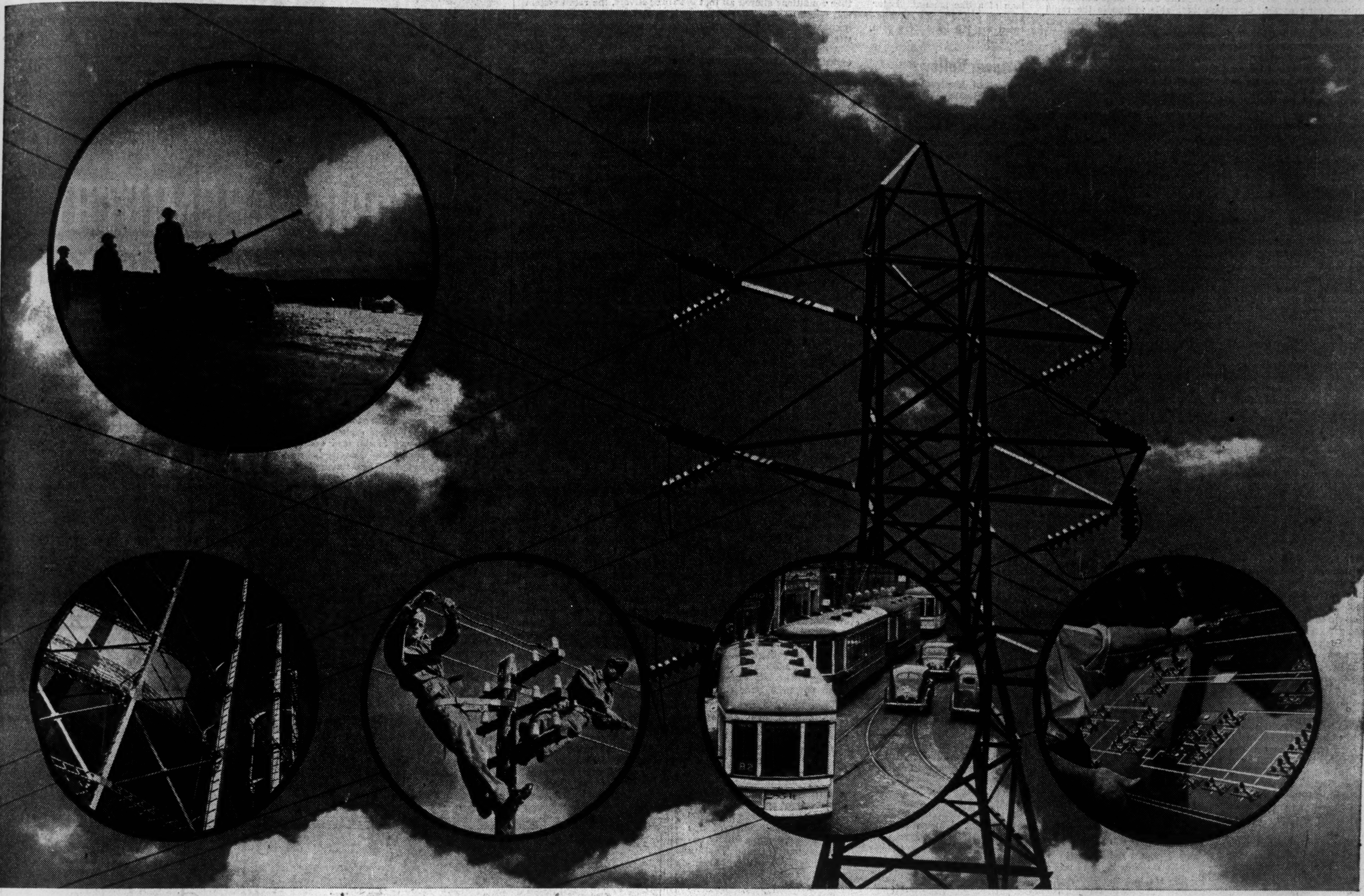
Vol. XXXVI | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, MARCH 21, 1942 | 10c a Copy; $5.00 a Year | No. 12

Canada's Utilities Speed the Wheels of War



Network of Power, Gas and Communications is Key to War Structure

By JOHN E. LANGDON

Hardly a wheel would turn in Canada's vast industrial structure if the lifeblood furnished by the network of power, communications and transit utilities were cut off.

Power producers alone have allotted an estimated minimum of 1.5 million extra horsepower for war, exclusive of the vast amounts going to the aluminum industry, biggest power burner in the Dominion. In terms of fighting materials, that added 1.5 million of energy will produce the following in one year:

- 21,420 tons of special steel alloys
- 153,000 tons of aluminum
- 214,200 tons of calcium carbide
- 642,600 tons of 6 in. shells
- 535,710 tons of aerial bombs
- 642,600 tons of high explosives
- 2,142,000,000 rounds of small arms ammunition
- 214,200 tons of brass
- 214,200 tons of electrolytic copper
- 2,142,000 rifles
- 214,200 Bren guns
- 2,142,000 pairs of boots
- 2,142,000 suits battle dress uniforms

Communications Vital

The part played by other branches of the utility industry is no less important.

Communications are the lifelines which keep together the free countries of the world. Without them the war effort would be slowed down to a horse and buggy pace.

Speedy communications make possible the rapid establishment of war plants; the movement of raw materials and finished goods; the dispatch of rail, highway and ocean transport, the trigger quick decisions needed in total war.

What the war has meant to communications in terms of traffic is typified by the experience of the Bell Telephone Co. of Canada. Before the war Bell handled 5,560,000 local and 57,000 long distance calls daily. It now handles 6,486,000 local and 77,000 long distance calls.

Where war industries are concentrated, the tramways have the responsibility of moving tens of thousands of workers every day. From home to plant, and back again a continuous stream of workers is in daily flow. Any interruption or breakdown in this public service would strike directly at the war effort.

Gas and coke plants have their no less important part in the war effort. Increasingly huge supplies of gas are needed for industrial purposes. From the by-product plants comes metallurgical coke for the making of steel, benzol, ammonia, toluol for explosives, and a host of other chemical products which find their way directly and indirectly into war materials and supplies.

Maintain Civilian Services

The wartime needs of the nation have placed a load on the utility facilities far greater than ever before recorded. And civilian services have been met in full.

Electricity is used just as freely in the home, the store and the office; telephone installations and service continue unrestricted; telegraph and cable services have not been restricted except where the national safety calls for limitation; tramways have handled an amazing increase without serious impairment in efficiency; gas and coke plants continue to meet all the domestic demands made upon them.

Such services, unequalled anywhere else in the world, have been taken for granted by the public. Little realized is the tremendous, at times almost superhuman, efforts which have had to be made in all fields to keep the war away from the civilian front.

But civilian immunity from war's impact may be short-lived. The utilities are confronted with a shortage of materials, delays in getting equipment, and are further handicapped by a lack of manpower, trained or otherwise.

Yet, and quite apparent to those within the industry, the wartime demands on the utilities have not reached the peak. They will continue to grow for some time to come.

The margin of capacity available for further expansion is definitely limited and restricted services are likely in some branches of the utility industry.

This prospect applies not to all Canada, but specifically to those areas where industrial effort is greatest.

The wartime areas where the utility situation is tight centre broadly on Vancouver, Winnipeg, Ottawa, Hamilton, Toronto, Windsor, Montreal, Quebec City, Saint John and Halifax.

Though the utilities already have adopted a number of plans to meet the extraordinary war demands, the signals are out for coming consumer restrictions.

Telephone users have been warned to expect delays. The spare capacity carried over from peacetime has been largely put back into service. There is a shortage of equipment, which will grow more intense as the war proceeds.

The Bell Telephone Co. of Canada has announced that for the duration there will be no more switching of exchanges from manual to dial operations.

No more extensions for household use are permitted. Greater use will be made of party lines. Dial telephones will continue to be installed only where the exchange is automatic.

More toll facilities are being provided, but for ordinary domestic and commercial use, new facilities will be limited in favor of more essential needs.

The telegraph and cable companies carried over a large amount of surplus equipment. This surplus has been increased through the sharp falling off in the security business, as in ordinary times stock brokers and investment houses are heavy users. In so far as the public is concerned, the cable and telegraph companies are still able to add to their volume of traffic before it is necessary to consider imposing restrictions.

Help For Tramways

Most direct influence on the public will be the tramway situation. Not so apparent this summer, by winter additional employment in war plants and the lesser use of private automobiles will create a first-class problem for the tram operators.

Tram facilities are adequate provided the peak loads in the morning and the evening, when the workers go to and from work, are levelled off.

To that end staggered hours of work have been adopted by employers in some eight Canadian cities. More than 60,000 workers are affected. By next winter it is expected this plan will be more widely adopted in the larger urban centres and the employees affected will total several times the present number.

If this plan can be worked successfully, as is expected the tramways will be able to avoid a breakdown in service.

The gas industry has its own problems, in the large industrial areas where by-product coke ovens are in operation, and in southwestern Ontario where natural gas is supplied.

Demands for gas to be used in industrial work have mounted sharply in the past two years and are expected to continue increasing. Some areas experienced a temporary shortage of gas during the past winter.

Wartime need for gas is great, and the demand for other products such as coke, ammonia, toluol, etc., is even greater. Every effort will be made to increase production of these latter products in the months ahead and it is possible, even likely, the domestic consumer of gas and coke will be affected.

The situation in the power industry is clear-cut. New power plants take time to build. Power sites capable of development and in the areas where energy is needed are few and far between. There has been no actual shortage of power to date, though in one or two areas the supply has been tight.

Over the course of the past two and a half years the power industry has worked wonders to make available a larger supply of energy for wartime needs. This is especially the case in Quebec and Ontario where the need is greatest. There is a limit to what the operators can do in the way of improving efficiency, rerouting of power, linking up of transmission lines, etc., in order to make available every kilowatt hour of electrical energy needed for the war effort.

More power will be required for war industries, especially the great electro-chemical and electro-metallurgical plants.

The power will be available when needed, but its use for non-essential purposes, such as shop window lighting, sign boards, etc., may have to be limited.

More For War

Restricting the sale of electric washers, radios, irons and other electrical appliances has put a brake on the use of electricity by the domestic consumer. But the latter may also have to limit the use of electricity along other lines, such as water heating, if the industrial demands keep increasing at the present rate.

Principal problem facing the utility industry is one of supply. With new installations limited and present equipment near full utilization, it follows there will be a further switching of services from non-essential to essential needs over the next 12 months.

The extent to which civilian services may be affected depends upon many factors which, at the moment, cannot be fully appraised without a knowledge of the anticipated rate of growth in wartime industry. Whatever the developments over the next year, the operations of the utilities will continue to be directed primarily to supplying those services which are essential to the war effort, a task for which they have shown unexcelled ability.

Canada's war effort can be measured by the service provided by its utilities — power, communications, gas and tramways.

Production of ships, clothing, aircraft, guns, ammunition, the transport of men and materials, the planning and execution of plans—all are dependent upon one or all branches of the utility industry.

The part which the utilities play in the country's life at this time is all the more striking because the industry has paced Canada's wartime needs with little or no capital assistance from the government. It has invested millions and millions of dollars of its own money in equipment for use directly in furthering the war effort. It has, on its own initiative, arranged its schedule of operations to conform with the national needs.

The industry has not waited. It has led in anticipating Canada's wartime needs.

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Power Speeds Quebec Production

Wholesale Energy Producers Pour 3 Million H. P. Into Vast Pool

Sale of electrical energy on a firm power basis in Quebec is now considerably larger than in any other province of Canada. Two years ago Ontario reported the largest sale of firm power of any of the Canadian provinces.

Advance of Quebec to first place rests wholly upon the fact that war industries, especially those in the electro-chemical field, employ huge blocks of power and Quebec was the only province that could meet the demand.

When the war broke Quebec utilities had a large surplus of hydro electric power. Operators were able to handle the rapid increase in demand from established industry employed in war work, and provided power for many new industries.

Power companies have found it necessary to discontinue deliveries of secondary power to electric boilers. Additional production from new hydro plants and additions to old ones has been taken up almost as fast as made available.

To meet war demands, a major step was creation of a 3 million horse power "pool." Water resources of the Saguenay, St. Maurice Valley and the St. Lawrence were banded together by transmission lines.

The industrial power load in 1941 was nearly 35% greater than for 1940.

Wholesale sales to municipalities increased 3.9%.

Sales of primary power to transportation companies increased 14%.

Demand for electrical energy for industrial purposes in connection with the war has not yet reached a peak.

Additions to plant are expected this year. Such additions will not take care of the increased anticipated load. On the other hand water conditions are excellent. Considering that over 75% of the hydro electric power produced in Quebec comes from water storage, the conditions of the reservoirs is of the utmost importance in the production of energy.

It is possible that power to certain industries, classified as non-essential or in a position to make concessions, may be subject to rationing.

Gatineau Power

Gatineau Power Co., one of the largest power producers in the Dominion, continues to operate on a sold-out basis. Its resources were fully exploited at the beginning of the war and it has not been able to contribute much in the way of additional energy for war purposes.

Fact that it has little surplus power for sale means that its gross revenues have shown little or no change. Increased tax charges and the premium on U. S. exchange to cover bond interest, have cut into net earnings.

Conserve Cash Resources

Last fall the anticipated action in reducing the quarterly dividend on the common stock from 20 to 15 cents a share was taken. The interim quarterly statements for 1941 indicate the new rate is being covered by a fair margin and that earnings for the full year will be somewhere between 65 and 70 cents a share.

There is a possibility Gatineau Power Co. will be able to add to its productive facilities. There is room in the Bryson plant for the installation of an additional unit of about 25,000 h.p. However, it would not be economical to take this step unless some arrangements were made to increase the water supply.

Ontario Hydro has been negotiating with the company for some time with a view to having this installation made. No definite arrangements have been made to date, but it is possible, in view of the serious need for additional power, that the project will be undertaken some time this year.

Maclaren-Quebec

Maclaren-Quebec Power Co., one of the major wholesale power operators in the Ottawa Valley district, has experienced a marked improvement in its position, as a result of wartime conditions.

Last year, for the first time since its organization, the company was able to pay interest charges on its bonded debt out of current earnings. Power sales increased substantially, largely owing to heavier deliveries to Ontario Hydro.

Sell More to Hydro

By the end of last year Maclaren-Quebec not only re-established the Ontario Hydro Power contract on its former full scale basis, but had made arrangements to deliver an additional 57,000 h.p. of energy for the duration of the war.

The new arrangement entered into calls for 25,000 h.p. on the same terms as the revised contract, at $12.50 a h.p., until 1970. In addition the company has agreed to deliver to Hydro 32,000 h.p. of 60-cycle power at $12.50 per h.p.

Under present contractual obligations Maclaren - Quebec Power has agreed to supply Hydro with 182,000 h.p. in all. This contrasts with the company's total supply of 245,000 h.p., the difference being used by the James Maclaren Co. for motive power in its newsprint mill at Masson.

Erect Boiler Plant

To make delivery of this additional power possible, Maclaren-Quebec Power undertook last year to construct a new boiler plant for raising steam to be used in the newsprint mill. In addition, additional storage works were built on the Lievre River in order to increase the daily flow.

To finance this work, the company secured authority from the Public Service Board in the early part of the year to issue $2 millions of 4% first mortgage bonds to the Bank of Nova Scotia as collateral for a loan of a like amount. Later $750,000 of the bonds hypothecated for the loan were sold privately.

Ottawa Valley

West of Montreal the first large wholesale power producer is the Ottawa Valley Power Co., which, with Ontario Hydro, operates a joint development at Chats Falls. This company is controlled by Calgary Power Co.

The entire output of the Chats Falls plant, amounting to 96,000 h.p., is sold under long-term contract to Hydro, the power being delivered to the Leaside sub-station.

No financial or operating statement is issued. Earnings are limited by contract and because of its fixed income position net profits have faced a decline in view of the heavier scale of taxation.

Montreal Island

Montreal Island Power, subsidiary of Montreal Power, operates a power plant on the Back River a short distance from Montreal.

The entire output is sold under long-term contract to the parent concern. In recent years operations have shown no particular change, revenue under contract being sufficient to cover expenses, interest and depreciation.

Practically all the bonds and common stock of this company are held by Montreal Power. On the other hand, there is wide public investment interest in the $1 million of 6% cumulative preferred stock, cumulative as to dividends from Jan. 1, 1926. No payments have ever been made on this stock and, under the terms of the present power contract and the installations in the plant, it is not possible for the company to make any returns.

A matter of interest to the preferred shareholders is the litigation between Joseph M. Pigott and the Pigott Construction Co., Hamilton, against the underwriters of the preferred issue. On the grounds that the stock was purchased as a result of misrepresentation in the prospectus, the plaintiff secured judgment in the lower courts against the underwriters for the return of principal together with interest. The case was taken to the Supreme Court of Canada and judgment of the Ontario Supreme Court was upheld.

St. Maurice Power

Completion of the La Tuque plant of the St. Maurice Power Corp., jointly owned by Shawinigan and Brown Corp., in the fall of 1940 was a particularly fortuitous circumstance for Canada's war effort. At the time work on this unit was undertaken, it was anticipated some time would elapse before a market could be found for the entire output of the plant. Wartime conditions altered all that and within a year after opening the plant the entire output was under contract.

Although the first full year ended October last included the period when the four new units, totalling 178,000 h.p., had to be broken in gradually, and although the mid-summer flowage conditions in the St. Maurice River were unusually low, total output of the plant reached 960 million kw. h. It is expected this figure will be considerably exceeded in an average for the year.

The record set of being able to sell every kilowatt hour of its output during the first year of operation is unique in the annals of the utility industry. As a result the earlier estimate of earnings had to be revised. Net earnings before depreciation and income tax for the year ended Oct. 31 amounted to nearly $300,000. This was substantially better than the estimate of $174,000 for the calendar year 1941 as set out in the prospectus issued at the time the company carried out its public financing.

Shawinigan

War conditions have had a tremendous influence upon operations of the Shawinigan Water & Power Co. Increasing demands for power, directly resulting from the war boosted the electric power peak on the system last year to the all-time record figure of 1,265,309 h.p. Even more impressive is the fact its firm electric power peak load in 1941 was 1,208,935, or nearly double that reported in 1938.

Shawinigan rates as one of the great power systems of the world. Last year it produced nearly 4.2 million kw. h. of electrical energy and purchased another 2.1 million kw. h. for a total of 6.3 million kw. h. Practically all of this energy was firm power, a large share of which is now employed directly in the production of war materials and supplies.

At the beginning of the war Shawinigan had a large amount of surplus power for war industries. Since then it has brought into operation jointly with Brown Corp., another power plant on the St. Maurice River with a capacity of 178,000 h.p. The availability of this power has played a vitally important part in Canada's ability to increase production of aluminum and other products essential for the conduct of the war.

Build Up Distribution

To make this power available the company has spent large sums of money on construction of transmission lines. At present the company has under way construction of new high tension lines between Three Rivers and Berthier and Sorel and Hemming Falls.

Construction of these lines, estimated to cost $1.6 millions, is made necessary solely by increasing demands of war industries on the south shore of the St. Lawrence River.

Completion of the lines, together with the St. Lawrence River crossings at Three Rivers and Sorel, will give the company one of the most complete grids in existence anywhere in the world.

Power Sales Change

The effect of the war on operations of the Shawinigan Co. has been most marked. Comparing the disposal of Shawinigan energy in 1941 with that reported in 1937, the last pre-war boom year, it is noted there has been an increase of nearly 200% in deliveries of energy to electro - chemical plants. These plants are engaged in the manufacture of aluminum, carbide and other allied products. This has been made possible through the elimination of secondary power sales to the pulp and paper and textile industries.

Particulars of the distribution of the company's energy in the two years mentioned follow:

Disposal of Shawinigan Energy
(Million kilowatt hours)

	1941	1937
Retail	176.8	125.1
Pulp & paper*	2,274.8	3,311.8
Electro-chemical	2,314.6	865.8
Asbestos	136.5	117.6
Textiles*	51.9	163.2
Utility cos.	799.2	693.3
Miscellaneous	517.8	432.9
Total	6,270.8	5,709.8

*Reduction due to elimination of secondary power sales for steam purposes.

Big Retail System

Basically Shawinigan is a wholesaler of power. The retail business, while overshadowed, nevertheless represents an important phase of activity.

The retail distribution system now covers a large area of the central portion of the Province of Quebec north and south of the St. Lawrence River. Along the north shore and below Three Rivers, the retail system joins up with that of the Quebec Power Co. Above Three Rivers, on the north shore, the system now is within a short distance of Montreal. In addition, considerable progress has been made in developing retail distribution on the south shore and the system now extends almost to the U. S. border.

In 1921 the income derived from retail sales represented only 6.3% of power revenues. Today the proportion of revenue derived from this source amounts to over 20%. Last year the retail distribution system reported an increase of 10% in power consumption.

Has Varied Interests

Aside from the wholesale and retail distribution of electrical energy, Shawinigan has numerous other interests of first rank importance. With Montreal Power it controls United Securities, which in turn controls Montreal Tramways Co. and Canadian Light & Power.

It also controls Quebec Power Co., one of the major retail distributors in the province, whose operations are reviewed elsewhere in this issue.

Then, too, the company has a half interest in the St. Maurice Power Corp., which owns and operates an important power plant on the St. Maurice River at La Tuque.

Controls Chemical Unit

Over and above these interests, Shawinigan has a highly important asset in its wholly-owned subsidiary, Shawinigan Chemicals Ltd. This unit produces a wide variety of chemical products, notably carbide and its derivatives. These include acetic acid, acetone and other products which can be used for plastics. The plant capacity of Shawinigan Chemicals has been greatly enlarged since the commencement of the war and production is now considerably above that prevailing in pre-war years.

Official secrecy surrounds much of this unit, but last summer it was officially announced the company was erecting a plant for the manufacture of polyvinylchloride. This is a rubber substitute and is used in the covering of cable, especially degaussing cables for submarine protection, gaskets and airplane parts. This plant is now in operation.

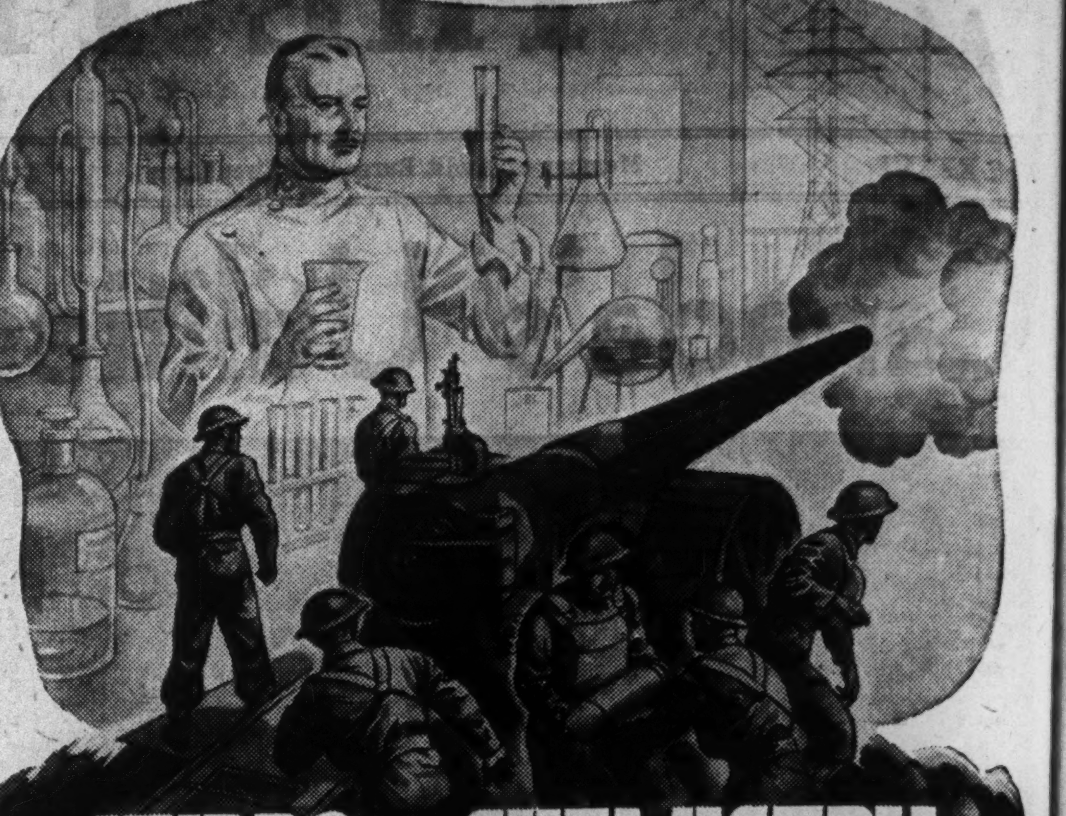
The record-breaking activities of the company have resulted in expansion of gross earnings to the highest level in its history. Gross income in 1941 exceeded $20 millions and the liquid position was built up to a point where it was possible to redeem the bonds of the outstanding 3½% collateral trust notes, amounting to $3 millions, without the need of any additional financing.

Canadian Light

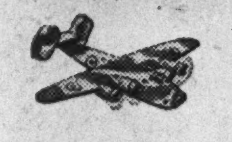
Canadian Light & Power Co., subsidiary of United Securities, has experienced very little change in operations or earnings over the past year. All of the company's output is sold directly to Montreal Power at a fixed price under an agreement extending to 1949.

The company has a small hydro power development of 28,000 h.p. located about 30 miles from Montreal. It does not engage in the retail business.

(Continued on page 25)



HYDRO and CHEMISTRY
Power Team for Victory!



● Hydro-Electric energy, handmaiden of progress in peacetime, is indispensable in time of war!

In guarded laboratories all over Ontario, night and day, chemists are seeking out formulas for ever more powerful explosives that will help to shorten the war. The chemical industry and Hydro go hand in hand. Between them they produce explosives for aerial torpedos, depth bombs, land and sea mines, chemicals for flame throwers—and many other weapons that will hit the enemy hard.

From the day that war was declared Hydro's two million electrical horsepower was ready to be harnessed to the war effort and today more than half of it is at work, fashioning the myriad tools of victory. In Ontario's chemical industry, huge plants using over 150,000 Hydro horsepower are turning out chemicals and high explosives—and more such plants are being built. That means greater demands for electrical energy, demands your Hydro must and will meet.

Here, every citizen can help by conserving Hydro current, by using it sparingly. That's an important way we can all "help to finish the job" . . . sooner!

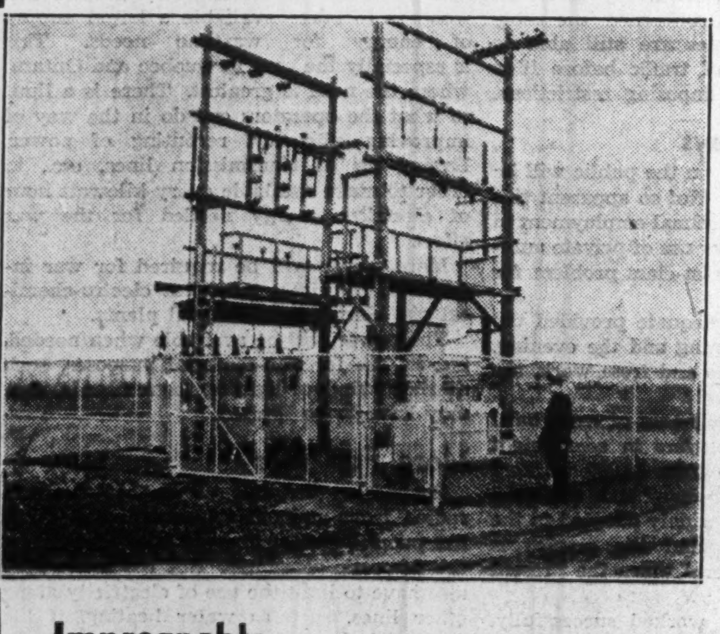
CONSERVE ELECTRICITY

Poor lighting is false economy, but don't waste current. Switch off the lights when you leave your office for even a few minutes. See if your stock-room, hallways or private offices can't do with fewer lights. Every Hydro Electric unit saved means more power for our war industries.

REMEMBER—it's YOUR HYDRO SYSTEM

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

PERMANENT PROTECTION



•Extra Rugged
•Heavily Galvanized
•Built on Steel Posts
•Lasts for Generations
•Quotations on Request

Impregnable
OJIBWAY CHAIN LINK FENCE

Guards every inch of your plant day and night. A lasting, unclimbable barrier that keeps your property inside and intruders outside.

Look for the Indian Head to be sure its OJIBWAY

CANADIAN STEEL CORPORATION
LIMITED
MILLS: OJIBWAY ONT
EXECUTIVE & SALES OFFICES: WALKERVILLE ONT

Serving Nova Scotia

Dependable Progressive Service

NOVA SCOTIA LIGHT and POWER Company, Limited, serves the city of Halifax with electric energy, tramway transportation and gas.

In addition, either directly or through subsidiaries it supplies electricity in half the counties of Nova Scotia.

This company invites the further use of its facilities for industrial development and added comfort and convenience.

Nova Scotia Light and Power
Company, Limited
Halifax, N.S.

Maritime Utilities Break Records

Western End of Bridge to Britain Hums With War Activity

Power utilities in the Maritime Provinces continue to experience capacity demand for their services. The sharp pick-up in industrial operations, greater employment, increased spending power, and the heavy influx of service forces to Atlantic coastal points, especially the harbor cities of Halifax, Saint John and Sydney, have created abnormal conditions.

Probably more than any other area in Canada, the Maritimes have felt the full impact of the war and wartime boom conditions.

Industrial operations are on a scale never before equalled. Thousands of additional workers have been taken on the payrolls.

Further thousands of soldiers, seamen and air force men established in the territory have combined to create a record-breaking demand for electrical utility and power services.

Use All Equipment

In the Halifax area population has increased by nearly 50%. Power resources of the Nova Scotia Light & Power Co., which serves this city, Dartmouth and a number of centres throughout the Annapolis Valley have been strained to the utmost.

Situation in Halifax applies to other centres, though not with equal force.

N. S. Light

Nova Scotia Light & Power Co.'s operations since the beginning of the war have expanded very materially and at present are on a record scale. The heavy influx of war service organizations into the territory served, together with other wartime activity, has been reflected in a sharp increase in gross earnings.

Full utility service is provided—electricity, tramways and gas—to the city of Halifax. In addition it provides electricity to certain suburbs of Halifax and through subsidiaries supplies electric service to approximately one half the electric consumers of Nova Scotia.

All plants have been improved over the past year and a better water supply for the hydro-electric stations assured. A new hydro-electric plant with a capacity of 7,500 h.p. was brought into operation during 1940 by the subsidiary, Avon River Power Co. A second plant, also on the Black River, is nearing completion. There is also a possibility the company may have to build a steam power plant, likely in Halifax, to meet the peak demand in that area. A total of 14 extra street cars have been acquired to cope with war traffic in Halifax district.

Face Abnormal Conditions

Probably no other utility in Canada has had to contend with problems which have confronted Nova Scotia Light over the past two years. The population in the area has increased nearly 50% in the last two years, creating many problems of a major character. Despite the abnormality of the situation, the company has successfully met the demand.

Expansion of operations and earnings have brought a rate problem. Late last year the city of Halifax launched a probe into rates charged for electricity by the company to determine the advisability of applying to the Public Utility Board for a new interim rate. Interim rates were set in October, 1937, until a valuation of the company could be made. The valuation has been proceeding since then and the city solicitor has recommended a probe on the grounds that earnings of the company in the Halifax area have increased and a new interim rate should be considered pending completion of the valuation.

Seaboard Power

Capacity operations of Dominion Steel & Coal Corp. and its subsidiaries in the Cape Breton area have taxed facilities of Seaboard Power Co., a wholly-owned subsidiary of Dosco. Considerable sums of money were spent on the plant a few years ago to modernize it and since that time further additions have been made in order to provide an adequate supply of electricity for the greatly increased scale of operations of the parent company.

Eastern Utilities

Eastern Utilities Ltd. is one of the very few Maritime holding companies. The company was set up by Hon. F. B. McCurdy, of Halifax, to take over control of Canada Electric Co., Eastern Electric & Development, Moncton Electricity & Gas, Maritime Coal, Railway & Power and Joggins Coal Co., all operating in the Maritimes.

A small block of debentures was sold to the public in 1940. Capital stock is closely held.

Canada Electric

Canada Electric Co., one of the oldest utilities in the Dominion, supplies power to Amherst, N.S., and district from a steam power plant operated at Maccan.

While not a spectacular performer, Canada Electric's operations and earnings have steadily advanced. The Amherst district has been aided by a demand for war products and several other industries in the area have been active in this line. Others are getting started and this year should see a considerable increase in industrial output.

Because of the increase in demand for services over the past year, the reserve capacity of the plant has been practically all absorbed. However, there would be no difficulty in enlarging the plant provided the company can secure equipment.

Maritime Electric

Electric lighting and power services in Fredericton, St. Stephen, Milltown, St. Andrews, Devon and six other communities in New Brunswick are supplied through the Maritime Electric Co. Power is purchased from the New Brunswick Power Commission and also from Canadian Cottons Ltd.

In addition to these interests, Maritime Electric provides similar services in the City of Charlottetown, the Town of Montague and 12 other communities on Prince Edward Island. The Charlottetown system is served from the steam plant with some auxiliary power from the small hydro-electric development.

Earning power of the system has been well established and dividends paid regularly on the common stock.

Moncton Electric

Moncton Electricity & Gas Co. serves the Moncton area which has experienced a relatively sharp increase in business activity since the war began. Moncton is not only an important railway centre on the main line of the C.N.R. from Montreal to Halifax, but is also an industrial town of some importance.

Control of the property was acquired late in 1939 by the Hon. F. B. McCurdy, of Halifax, from the Central States Power & Electric Corp.

In addition to the Moncton utility, Mr. McCurdy controls Eastern Electric & Development Co. which operates a small steam power plant at Sackville and distributes energy in Sackville, Middle Sackville and Upper Sackville.

Eastern Light

Eastern Light & Power Co. supplies electrical energy to the important industrial community of Sydney, Nova Sotia. Wartime operations of the Dominion Steel & Coal Co.'s plants at that point have created a marked increase in employment and spending power. Electricity sales have shown sharp improvement.

The betterment in operations has not been wholly reflected in earnings because of increased power costs. Power is purchased under contract from Seaboard Power Co., while Eastern Light itself owns a steam standby plant at Sydney.

N. B. Power

New Brunswick Power Co.'s various divisions—electric light, tramways and gas—have experienced a marked improvement in operations since the war started.

Conditions surrounding this company, both operating and financial, have not been altogether satisfactory in recent years. The tramway system until lately has operated at a loss. The electric division has been in sharp competition with the municipally owned system.

Attempts have been made by the management of New Brunswick Power Co. to effect a settlement with the city. At various times the electrical distribution system and the tramway system have been offered to the city. While the city has expressed interest, no deal was ever made.

Sell Tramway System

Lately the tramway situation has reached a point where it was imperative additional equipment should be purchased. The company was unwilling to undertake the capital expenditure. However, the city offered to guarantee the company against loss on its investment in the purchase of new motor buses. Before action was taken a new and important development occurred. United Service Corp., of Halifax, which controls and operates a number of bus lines in Nova Scotia, purchased the company's tramway system. United Service plans to use its own buses to supplement those of the New Brunswick Power Co. in providing more adequate transportation facilities in Saint John.

It is possible this development may hasten a decision respecting the electrical distribution system. An amalgamation of the two power systems would make for substantial economy.

Gatineau

Gatineau Power Co. is the most important wholesale producer of power in New Brunswick.

Its plant at Grand Falls was designed originally to supply the needs of New Brunswick International Paper Co. and Fraser Cos. Over and above these requirements there is a small surplus which has been used to meet the needs of the municipality of Dalhousie and other small purchasers.

Operations have been at near or capacity for some time and have not been greatly affected by war conditions.

EFFICIENCY SOUGHT

Telephone long distance business is not regarded as adaptable to mass production methods. The only way in which rate reductions can be achieved is by development of more efficient and cheaper telephone plant, and improvement in operation and administration, the head of a large U.S. telephone concern recently declared.

What is Your Power Situation?

Is there the possibility of a power shortage that will curtail your production?

Will it be possible to drive your present power equipment to meet extra demands?

Have you any spare capacity? Are you relying on week-ends for maintenance work?

Is your power equipment adaptable to other fuels in case change is necessary?

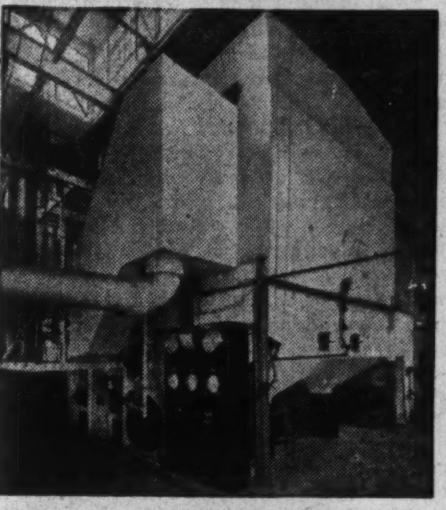
Have you up-to-date information by which to judge if your power is too costly by today's standards?

Investigate —

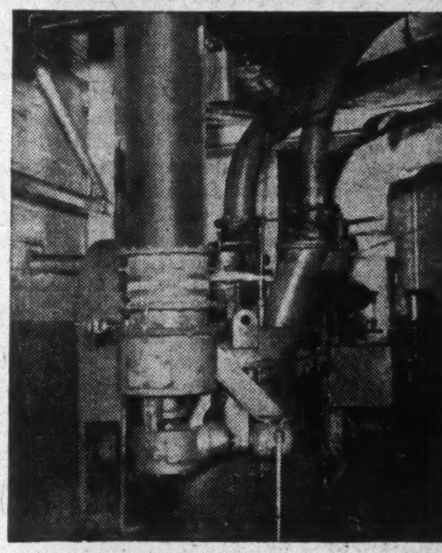
BABCOCK

'INTEGRAL' FURNACE BOILER UNITS

Front showing Pulverized Coal Burner.



Side showing Air Preheater and Control Panels.



Above, BABCOCK Coal Pulverizer on floor below boiler.

Right, in circle, Sectional view of BABCOCK "Integral" Furnace Boiler.

Babcock-Wilcox & Goldie-McCulloch, Limited

Montreal Toronto GALT, CANADA Winnipeg Vancouver

$3.5 MILLIONS "WIRED"

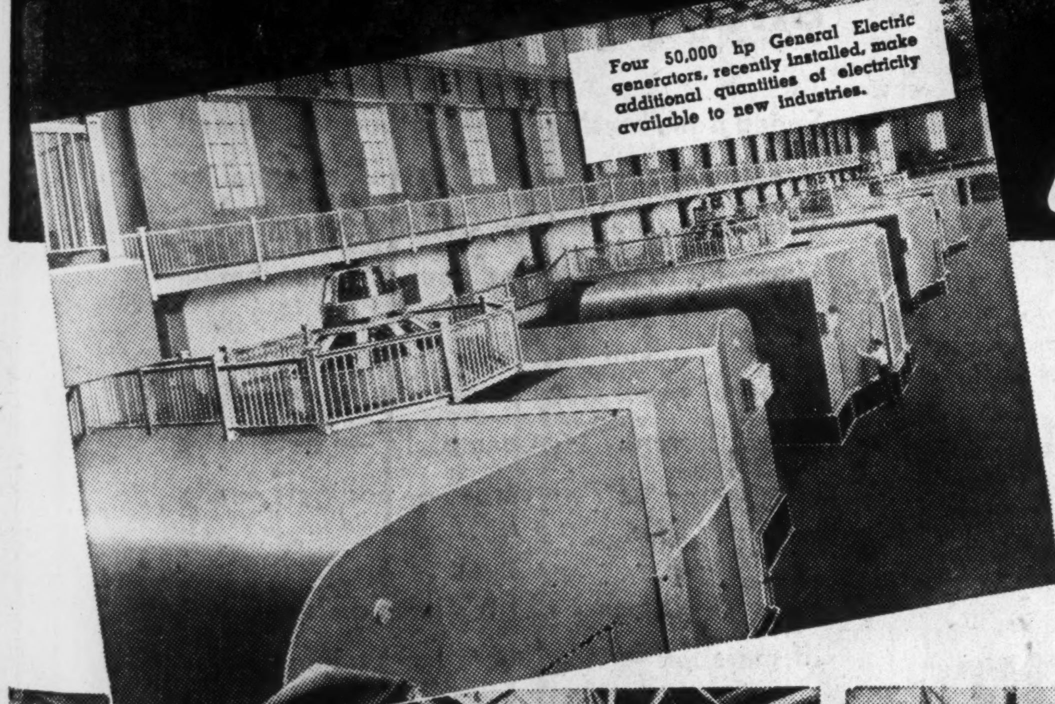
Fast remission of funds brought substantial business to the telegraph companies in 1939. About $3.5 millions was transferred by this method during the year.

MORE MONEY IN TRAMS

Investment in Canada's electric railways totals $250 millions. This represents an increase of $32 millions since 1919, but is $19 millions less than in 1930.

GENERAL ELECTRIC Equipment

is Harnessing Power for CANADA'S WAR INDUSTRIES!

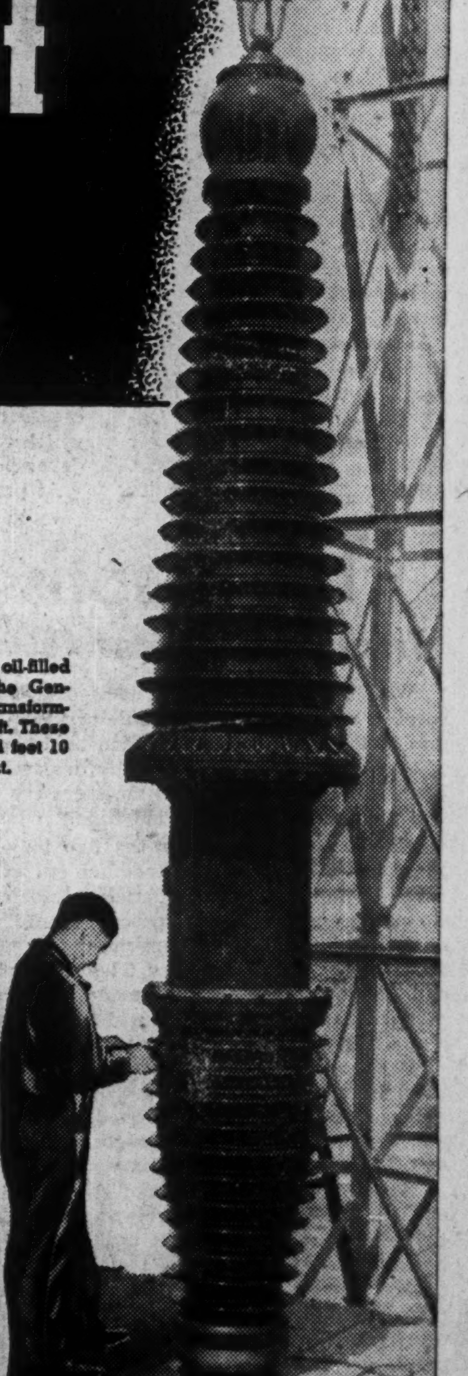


Four 50,000 hp General Electric generators, recently installed, make additional quantities of electricity available to new industries.

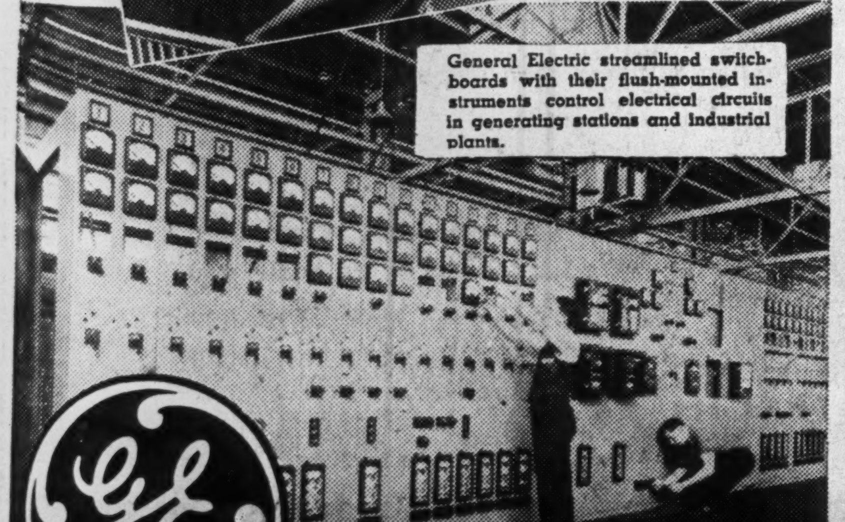
Vital for victory . . . vital to the operation of war plants . . . are Canada's vast resources of electrical power. For Canadian war industry is electrified. Upon the abundant, uninterrupted supply of electrical energy depends the success of the Dominion's entire programme of urgent war production.

To harness Canada's electrical power . . . to develop it, transmit it, utilize it . . . Canadian General Electric is applying its engineering and manufacturing facilities and long experience . . . perfecting and producing a wide variety of urgently-needed equipment to speed Canada's war effort.

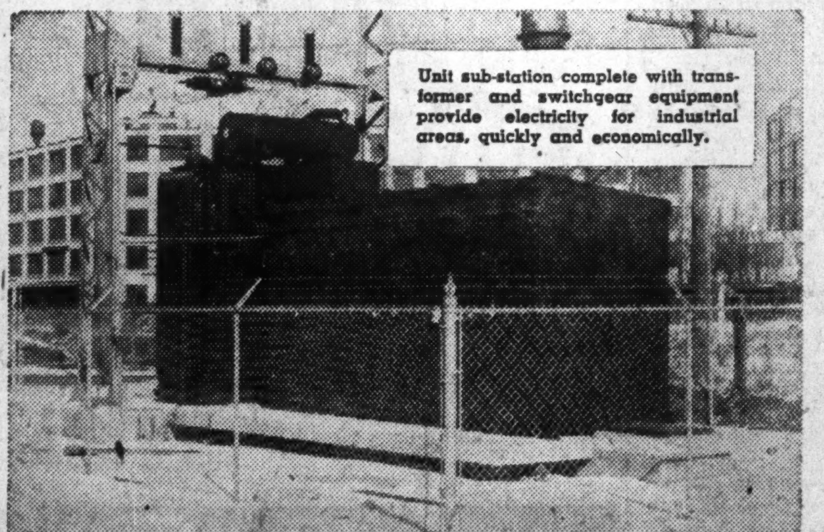
C.G.E.-842



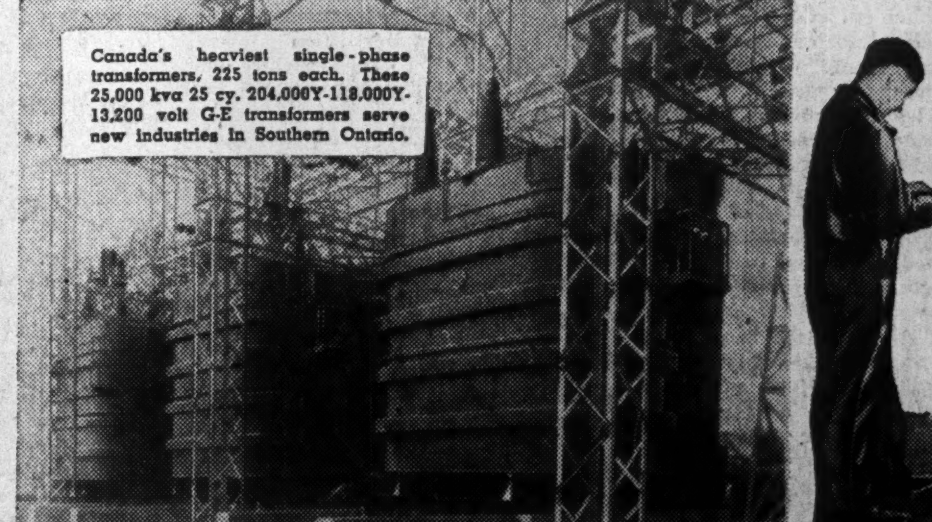
One of the oil-filled bushings for the General Electric transformers shown at left. These bushings are 14 feet 10 inches in height.



General Electric streamlined switchboards with their flush-mounted instruments control electrical circuits in generating stations and industrial plants.



Unit sub-station complete with transformer and switchgear equipment provide electricity for industrial areas, quickly and economically.



Canada's heaviest single-phase transformers, 225 tons each. These 25,000 kva 25 cy. 204,000Y-118,000Y-13,200 volt G-E transformers serve new industries in Southern Ontario.

CANADIAN GENERAL ELECTRIC CO. LIMITED

Sydney • Halifax • St. John • Quebec • Sherbrooke • Montreal • Ottawa • Toronto • New Liskeard • Hamilton • Sudbury • London • Windsor • Fort William • Winnipeg • Regina • Saskatoon • Lethbridge • Edmonton • Calgary • Trail • Kelowna • Vancouver • Victoria

Power Swells Ontario War Output

Demand Passes Peak and is Still Climbing

War industries in Ontario have been well served under increasingly difficult conditions by the electric utilities. This service has enabled these same industries to pour out an ever-increasing amount of the materials of war.

By far the greater proportion of the province is served by the provincially-owned Hydro-Electric Power Commission. In the Algoma and mining districts of northern Ontario, private companies are important.

Demand has attained record proportions and is still going up. The result is a lack of reserve power and a definite threat of a shortage when next winter's peak comes along. This hits the industrialized southern part of the province, served by Ontario Hydro, with particular severity.

Non-essential uses of electric power will be curbed later this year, including outdoor signs, store windows, perhaps some types of domestic uses and non-essential industries. New power sources coming in this year are far from adequate to meet the prospective growth.

Of great importance to a solution of the Ontario power situation is an early decision on the St. Lawrence project from which Ontario would get over a million h.p. at a cost of more than $90 millions. Failing this, alternative prospective sources are found chiefly in the Ottawa river but plan making is handicapped by failure to get a final decision on the St. Lawrence project.

Southern Ontario is linked in a complete "grid" system, permitting a power shortage in one section to be supplied from surplus power elsewhere. This has been a vital factor in keeping war industry going.

Ontario Hydro

All records were smashed by power demand on the facilities of the Hydro-Electric Power Commission of Ontario last year. In the three years since 1938, total primary power demand in southern Ontario is up 45%, a gain almost entirely due to the new wartime load.

Hydro officials estimate that direct war production required at least 175,000 h.p. more power at the 1941 peak than it did in 1940. Of this, the Niagara System took an additional 140,000 h.p., eastern Ontario about 25,000 h.p. while the balance was distributed between Georgian Bay and Thunder Bay Systems.

Negotiations are now under way for thousands of additional horsepower to keep new war plants running.

Result last winter was that Ontario Hydro was able to get through the winter's peak with only relatively minor interruptions to certain non-essential industrial users. Not so long ago it was true that Ontario Hydro sold hundreds of thousands of horsepower as secondary power, but this is no longer so. Practically all of this secondary power is now primary power load and directly used in the war effort.

For the coming winter Ontario Hydro faces a serious task. Officials estimate a possible shortage of at least 150,000 h.p. and perhaps as much as 300,000 h.p. when next winter's peak is hit.

Consumer Pinch

To meet this drastic measures will have to be taken. Outdoor signs are likely to be shut off, store window illumination cut. Present consumers will be squeezed wherever possible, always with the emphasis on supplying war industry with all its needs.

The provincially owned Ontario Hydro has available from all sources approximately 2.4 million h.p. at present, but of this only 2.2 million h.p. may be termed dependable power.

It has certain new sources of power coming into play this year. A new plant on the Madawaska River in eastern Ontario should be ready to deliver 54,000 h.p. by July of this year. Another 25,000 h.p. is under contract from Beauharnois for delivery Nov. 1 next. A further 25,000 block of Beauharnois power is scheduled for delivery Nov. 1, 1943, but it is possible it might be anticipated.

More Power Coming

At DeCew Falls, in the Niagara district, Ontario Hydro has a power plant under construction which will be ready by the late summer of 1943. Initial unit in this plant will furnish 65,000 h.p. and the plant can be expanded to perhaps 200,000 h.p. by installing additional units and closing the existing old 50,000 h.p. plant.

Another prospect is that Ontario Hydro will have to construct a fifth transmission line from the Quebec border, partly to relieve already overloaded transmission lines and also to provide for any new power which may become available.

Grid System Vital

Vital factor in permitting Ontario Hydro to surmount the wartime demands on its facilities, has been its "grid" system which was installed in recent years. All of the southern portion of the province is linked into one immense system. By means of frequency changers and special inter-linking lines, a power shortage in one part of the system can be supplied by surplus power in another. Without this "grid" the Georgian Bay System, for example, would have felt a severe pinch in the past couple of years. With it the Niagara System's 25-cycle power can be fed into Georgian Bay's 60-cycle circuit and customers kept satisfied.

Look to St. Lawrence

Ontario Hydro officials make no secret of the fact that they are in serious need of new power reserves. They are particularly anxious to have a decision soon on the St. Lawrence power project. Ontario has a commitment of more than $90 millions in this scheme if and when it goes ahead but in return would get about one million horsepower, enough to care for needs for some years to come.

Probably the only other potential source of large supplies of power is the Ottawa River on which two major sites could be developed.

At present plants are working at capacity, varying somewhat according to the amount of water available from day to day. This applies particularly to the Niagara plants, where it is thought that chance for expansion is limited.

Ottawa Light

Ottawa Light, Heat & Power Co. provides electricity and gas service for the capital.

Operations are conducted through two divisions—gas and electricity—which until a short time ago had been performed by two separately incorporated companies. The gas company revenues have been adversely affected in recent years by competition from low electric rates, rising out of competition between the company and the municipally owned system. As a result this division has had to turn more and more to the lower priced industrial and seasonal house heating field.

Market Grows Rapidly

From an operating point of view, sales of electricity over the past year have shown a sharp increase. The population of the Ottawa area is estimated to have increased by nearly 30,000 in the last 12 months and, as a consequence, there has been a sharp upswing in the demand for electricity, especially for domestic purposes.

While operations are shown to have been on a considerably larger scale last year, it remains to be seen whether or not this condition will be reflected in net earnings. Business was exceptionally good in 1940, but because of heavily increased taxes, net profits on the common stock showed a sharp reduction. This made it necessary to reduce the dividend from 25 to 15 cents a share quarterly.

Canada Northern

Canada Northern Power Corp. is one of the few remaining privately owned companies operating in Ontario. Its operations also extend into the neighboring Province of Quebec.

Operations on Northern Ontario are carried out through the Northern Ontario Power Co. which serves the mining camps of Porcupine, South Porcupine, Cobalt and Kirkland Lake and others.

The northwestern Quebec section is served by the other subsidiary, Northern Quebec Power Co. This area has expanded rapidly in recent years and it has been necessary to purchase power from Ontario Hydro in order to supplement the supply of Northern Quebec Power.

Operating revenues of the company were well maintained in 1941, but they do not reflect the business handled. This was due in part to further reductions in power rates, four of which were made between 1937 and 1940. Actually sales have expanded and last year were at the near record of 750 million kw. h. established in 1939.

Government Competition

The position of the company is not as clear-cut as might be, owing to the fact that it is in competition with both the Ontario and Quebec governments.

Late last year the Quebec government completed its power project on the Upper Ottawa River and commenced delivery of energy to Noranda Mines with a resultant reduction in that company's power purchases from Northern Quebec Power. The Noranda contract expired in 1938 but power had continued to be taken on a temporary basis. While loss of Noranda business will reduce the company's revenue from power sales, it is not expected to seriously affect net earnings as power purchases from the Ontario Hydro also have been reduced.

At the same time the company meets with competition from Ontario Hydro. In 1940 the company lost the important Lake Shore Mines contract. Its policy of rate reduction also has no doubt been influenced by this competitive condition.

An Offsetting Factor

One important factor which has enabled Canada Northern Power to meet the government competition is the fact that in previous years it had built its power load up to a point where it was necessary to purchase fairly substantial blocks of energy from Ontario Hydro in order to make full contract deliveries. This purchased power actually cost the company more than was received for it. With the loss of Noranda and Lake Shore contracts, Canada Northern has been able to reduce purchases of energy from Ontario Hydro and, in that way, maintain net earning position.

It has been the general belief for some time that eventually Ontario Hydro will make a bid for Canada Northern's northern Ontario property. Acquisition of this unit would give Hydro a monopoly of the power business in the most important mining area of the province and also provide a valuable outlet for the Abitibi Canyon power.

Great Lakes

With activities of its principal customers being considerably stimulated by war demands, Great Lakes Power Co. is meeting with improved results. The principal increases are coming from Chromium Mining and Smelting, Abitibi Power & Paper and the City of Sault Ste. Marie.

In 1941 Great Lakes Power supplied 363.8 million kw.h. compared with 313.9 million kw.h. in 1940. This increase was reflected in the company's profit statement with operating revenues for 1941 amounting to almost $1.4 million against $1.2 million in 1940.

Great Lakes Power in 1941 completed construction of a second generating unit with a capacity of 12,000 h.p. at its Upper Falls plant on the Montreal River. Because of increased demand for power, orders were placed with manufacturers in June, 1941, for an additional unit at the Lower Falls plant which is expected to increase capacity by a further 10,000 h.p.

A. E. AMES & CO.
LIMITED
Business Established 1889

Purchasers and Distributors of
Government, Municipal & Corporation
Securities

TORONTO
Montreal Winnipeg Vancouver Victoria
New York London, Eng.

Where Canada's Power Supply Comes From

(1940 Comparative Figures in Brackets; Returns in Thousands of Kilowatt Hours)

	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Canada
Production	8,666 (6,835)	479,853 (426,068)	534,834 (470,251)	17,777,291 (15,988,450)	9,780,366 (8,877,013)	1,515,388 (1,366,132)	601,500 (555,561)	316,367 (272,065)	2,431,096 (2,117,874)	33,445,361 (30,080,249)
Imported	.... (....)	.... (....)	6,721 (6,388)	154,757 (142,946)	3,597,968 (3,426,338)	.... (....)	.... (....)	23,944 (21,739)	.... (....)	.... (....)
Total supply	8,666 (6,835)	479,853 (426,068)	541,555 (476,639)	17,932,048 (16,131,396)	13,378,334 (12,303,351)	1,515,388 (1,366,132)	601,500 (555,561)	340,311 (293,804)	2,431,096 (2,117,874)	33,445,361 (30,080,249)
Exported—										
Other provinces	.... (....)	.... (....)	.... (....)	3,604,689 (3,432,726)	154,757 (142,946)	.... (....)	.... (....)	.... (....)	.... (21,739)	.... (....)
United States	.... (....)	.... (....)	29,896 (25,815)	637,980 (637,194)	1,690,102 (1,471,022)	996 (1,015)	.... (....)	.... (....)	566 (510)	2,359,540 (2,135,556)
Total	.... (....)	.... (....)	29,896 (25,815)	4,242,669 (4,069,920)	1,844,859 (1,613,968)	996 (1,015)	.... (....)	.... (....)	24,510 (22,249)	.... (....)
Consumption	8,666 (6,835)	479,853 (426,068)	511,659 (432,604)	13,689,379 (12,061,476)	11,533,475 (10,689,383)	1,514,392 (1,365,117)	601,500 (555,561)	340,311 (293,804)	2,406,586 (2,095,625)	31,085,821 (27,944,693)
Distribution—										
Firm power	8,666 (6,835)	477,285 (426,068)	479,962 (450,824)	11,742,219 (8,420,028)	10,590,531 (9,856,282)	1,056,942 (1,023,342)	601,500 (555,561)	340,311 (293,561)	2,403,702 (2,092,265)	27,701,118 (23,106,789)
Secondary power—										
Boilers	.... (....)	2,568 (....)	31,697 (18,220)	1,654,154 (3,641,448)	472,856 (833,101)	415,286 (341,775)	.... (....)	.... (....)	2,884 (3,360)	2,579,445 (4,837,904)
Other uses	.... (....)	.... (....)	.... (....)	293,006 (*)	470,088 (*)	42,164 (*)	.... (....)	.... (....)	.... (....)	805,258 (†)

* Not available. † Included in boiler load.

Power Controller Acts to Conserve Available Energy

Canada has had a Power Controller since August 23, 1940. He is H. J. Symington.

His first undertaking was a survey to ascertain the relation of the power capacity to the power load throughout Canada and to forecast the probable load on each network. A survey was also made of the further probable development in each area.

One month later daylight saving was made applicable all the year round in those municipalities in Ontario and Quebec which had had daylight saving during the summer of 1940.

By arrangement all use of electric power for steam purposes was banned and coal boiler installations made, thereby making available for war industries the power hitherto used for steam purposes.

Move to Save Power

In various localities control devices were ordered installed or extended on domestic water heating systems so that the power would be shut off during certain hours of the day.

Certain non-war industries were forced to reduce takings during peak hours.

In the central areas power systems were inter-connected to permit excess power in one part of the country to be used where there is a deficiency.

Utilize All Water

A special cable has been built across Montreal permitting the power produced from St. Lawrence water, which has a steady flow, to be transmitted from 12 midnight to 6 a.m., as well as during other hours in the summer, to the interior areas which are dependent on storage, thus enabling that storage to be preserved for the greater winter demand.

A method of mixing propane with natural gas and also with artificial gas has been developed which enables a large number of industries in the southwestern Ontario areas to continue to use gas heat in their processes, the gas supply in that area being very short.

BIG CHANGE-OVER

Largest dial switchover in Canadian telephone history was made at Ottawa in 1937, when 16,800 stations were transferred from manual to automatic operation.

Telegraphs on War Duty

Tremendous Additional Channel Mileage Made Available in Circuits

With production of war equipment and war supplies being speeded up, telegraph and cable services have become vital factors in the successful prosecution of the war. Tens of thousands of telegrams relative to war activities are being exchanged daily. The great majority of these messages are of an urgent character and are accorded priority handling.

At the outbreak of war the two major telegraph companies advanced overnight from peacetime operations to wartime action.

The volume of traffic handled was immediately doubled as compared with the normal peacetime load.

As a result of preparations previously made by the engineering departments of the Canadian telegraph companies, additional circuit channels were readily made available. This reflected the planned engineering and foresight without which serious bottlenecks might have developed.

Perhaps the most important contribution of the telegraph industry to the war effort has been tremendous additional channel mileage made available in leased wire circuits, connecting headquarters units of several branches of the armed forces, as well as other governmental departments and related organizations.

Since the commencement of hostilities, they have also carried out many communication projects for the armed forces. Telegraph offices have been opened at military, air force camps and naval bases.

Many private telegraph lines have been constructed and teleprinter and Morse equipment installed to speed up the movement of telegraphic communications for a large number of industrial plants producing war materials.

Montreal Telegraph

Montreal Telegraph Co. is the only telegraph company in which there is a public investment interest.

The company owns about 22,000 miles of wire in eastern Canada, northern New York, Vermont, Maine, New Hampshire, and Michigan. These lines are under lease to the Great Northwestern Telegraph Co., which lease was assumed by the Canadian National Railways, at an annual payment of $165,000.

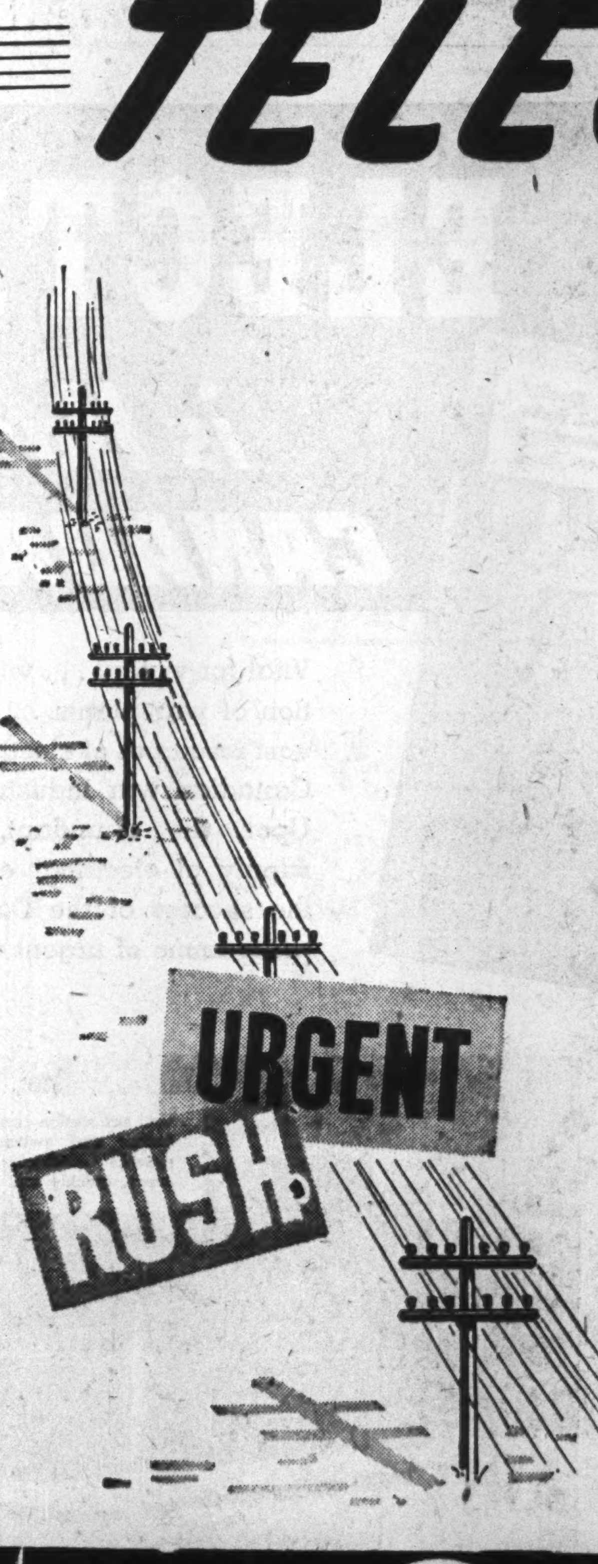
For years this company had paid regular dividends of 8% per annum. With the increase in income taxes, it was found necessary to make deductions, so that in 1941 net amount paid was $1.96 a share, as against $2.50 in 1940.

In recent years the company has had some difficulty over tax claims. The Province of Quebec is seeking $38,375 in respect of taxes of prior years, based partly on tax laws concerning companies and partly on the laws regarding taxes on properties. This claim was dismissed in the lower courts but the government has appealed the decision.

Metal Shortage Affects Utilities

Use of zinc, copper and all other non-ferrous metals for the extension of gas, water sewage or power services will be drastically curtailed under the latest order issued by the Department of Munitions & Supply. In future a permit must be secured from the Metals Controller for the use of non-ferrous metals for any such extensions.

TELEGRAMS



SPEED BUSINESS and GET RESULTS

Speed is the keystone of war efficiency. Speed in Canada's war work is just as essential as accuracy. That's why Canadians are using telegrams where expeditious communication is vital.

A "wire" never stops on the way. It gets there almost instantly — accurately — gets extra attention — gets work done — and gets on the record.

For rush jobs that call for immediate delivery of materials — for urgent instructions — and for information when minutes are important — Canadian business men depend on telegraph facilities.

Are you interested in speeding production? Let us show you how you can save time and speed work by using telegraphs more effectively.

CANADIAN PACIFIC Telegraphs CANADIAN NATIONAL
FOR SPEED AND ECONOMY

War Makes 'Phone History

Lead in Husbanding of Scarce Materials

Mounting voice traffic over the telephone lines and increased service demands have caused more telephones to be added during the last two and a half years of war than were placed in service in the five years 1914-18.

Telephone service is indispensable to Canadian industrial life, is essential to the smooth working of the war programme.

Within the telephone organization great emphasis must continually be placed on planning for the future because equipment to provide telephone service must be engineered, manufactured, and constructed before, not after, a request for telephone service is made.

Telephone research, investigation, and forecasting have had a major bearing in the industrial revolution which has placed the Dominion on a powerful war footing. War has put a premium on preparedness, on looking ahead to anticipate the requirements that may arise.

When war came the telephone was in as good a position as perhaps any group to meet the extraordinary demands it has brought.

Each part of a new wartime community's life requires telephone service and needs it quickly. Long distance facilities to all or nearly all out-of-town points have to be expanded. More construction is necessary to provide additional facilities. An area of some twenty-five or fifty miles surrounding the new industry is stimulated by the flow of money from the workers, bringing increased demands for telephone service both local and long distance.

In normal times the telephone organization, geared for emergencies and large-scale production, probably would have few misgivings about meeting so tremendous a demand. But these are not normal times. Metals and other materials used in building parts of the telephone system also are required in tremendous volume for war production purposes, and the supply is limited and restricted.

When all the telephone companies on the continent must suddenly and immediately meet greatly increased requirements for equipment and apparatus, terrific pressure is being put upon the telephone manufacturer, while the manufacturer must compete for raw materials with other industries concerned with war production.

Bell Telephone

Operations of the Bell Telephone Co. of Canada have grown to such an extent that for the first time in its history the company warns the public it may be necessary to restrict services.

Growth in telephones was greater last year than at any time in the company's history. Since the beginning of 1942 Bell has been installing services at a still greater rate. Spare plant is being rapidly used up, not only for cable plants and switchboards in central offices, but for long distance plants as well.

Scarcity of Materials

The manufacturing subsidiary, Northern Electric Co., has undertaken production of much material of vital importance to the prosecution of the war, making it difficult to meet Bell's needs for essential telephone equipment

There is increasing difficulty in obtaining materials Shortages exist in copper, steel, rubber, zinc and tin, all important in the manufacture of telephone equipment The growing weight of growth so far this year is far in excess of estimated resources, should it continue throughout the year

Record Net Gain

For the past year the company has reported a net gain in stations connected of 63,651, bringing the total number in service to 888,348 Of this number 308,845 were business and 579,503 residence instruments

Other telephone systems in Ontario and Quebec with which service is interchanged now number 888, serving 156,916 telephones

Average daily connections last year on local calls were 6,486,000, as against 6,187,000 in 1940 Toll or long distance calls last year averaged 77,000 daily, or 10,000 a day more than in the previous year

To take care of this expansion in service the Bell carried out a capital programme in 1941 at a cost of $15.3 millions.

Last year's programme was composed largely of projects directly or indirectly related to the war effort These included installation of local and long distance lines and equipment in the vicinity of military camps, training centres, air fields and war plants.

It will be necessary to carry out further heavy capital expenditures during the present year, but such outlay will be largely controlled by the availability of materials and supplies. One of the principal jobs will be providing toll cable facilities from Montreal to Ottawa and from Toronto to Port Hope. These cables ultimately will form part of an all-cable route connecting Montreal, Toronto and Ottawa.

Despite an abnormally heavy increase in traffic last year practically all of the gain in earnings was absorbed in increased expenses and taxes. This was a condition common to other utilities and is not expected to change during the war period.

With almost every phase of a Canadian's life now under some form of special wartime control, swift and never-failing communications are more than ever important. Dozens of key government officials must travel about Canada to do their jobs; must always be instantly available at the national capital. The men pictured here battling ice and storm make instantaneous telephone conferences possible.

B. C. Telephone

Marked increase in industrial activity in British Columbia last year resulted in the greatest demand for telephone service in the history of British Columbia Telephone Co., which operates the principal telephone system in the province.

Net gain in telephone stations in service during 1941 amounted to 10,041. This compares with a net gain of 5,914 for 1940, bringing stations in service at the end of last year to 143,807, as against 133,766 at the close of the previous year.

The number of originating long distance calls in 1941 was greater by 13.3% than the number recorded during the previous year.

In common with other telephone companies operating in Canada B. C. Telephone reported substantially higher gross income, but operating costs and taxes were also comparably higher.

During the past year the company reports nearly all the remaining manual telephones in the Vancouver business area were converted to automatic operation. The Fraser central office in Vancouver also was cut to automatic in November.

A new exchange building at Courtenay, Vancouver Island, on which construction was begun in 1940, was completed during the year and the exchange was converted from magneto to common battery service.

To take care of the rapidly growing demand for additional service a third automatic unit is being added to the Victoria office.

Orders for most of the equipment required for these various additions were placed prior to or shortly after the declaration of war.

The problems which confront the eastern operators also face B. C. Telephone Co. Gordon Farrell, president, reports that while the company to date has been able to furnish and maintain its usual standard of service, shortages in telephone equipment are developing which may, before long, present operating difficulties and cause delays in the installation of new or additional equipment.

Maritime Tel.

Record activity, due to war conditions, has been experienced by the Maritime Telegraph and Telephone Co. over the past year.

The number of telephones in service at the end of 1941 totalled 51,434, an increase of 10.3% over that reported at the close of 1940 and the greatest in the history of the company.

The gain in telephones connected last year was largely in industrial and transportation centres. Growth in the long distance service was very heavy, notably in calls carried over the Trans-Canada System.

To take care of the expansion it was necessary to incur a net capital expense last year of $709,414. The estimated requirements for 1942 are even greater.

Plan New Exchange

No new buildings were erected during 1941, but plans for construction of a large building in Halifax to accommodate a new long distance exchange are under way.

Reflecting the record volume of traffic handled last year, both gross and net income were well above that reported in the previous year. The financial position also underwent improvement, capital increasing from $203,000 to just over $1 million. Part of this was accounted for by the issue of an additional $1 million of bonds, proceeds from which went to defray capital expenditures.

The outlook for 1942 indicates still further substantial growth in telephones in service, according to a statement issued by the president. Present and probable plant requirements call for a heavy working programme, part of which is already in progress.

N. B. Telephone

Operations of the New Brunswick Telephone Co. over the past year substantially surpassed the previous year's demand for services, both local and long distance.

During the year 10.796 telephones were connected and 7,675 disconnected, a net gain of 3,121 compared with 1,965 in 1940.

At the end of the year there were 37,230 telephones in service, of which 18,892 were dial type and 18,338 were non-dial. This represents the largest number of telephones in use in the company's history.

Last year 1,227,422 long distance calls were recorded, of which 1,131,998 were completed. These returns also were substantially greater than in the previous year.

Add to Toll Line

Business over the Trans-Canada System has shown a marked increase. As there is indication of still larger business over the system, it is planned to expand the toll line facilities to provide additional circuits between Montreal-Saint John-Halifax and between Boston-Saint John-Halifax.

In order to provide adequate service to meet the demand the company undertook a gross construction programme last year involving an outlay of $705,240. Net capital outlay was $346,287, or 29.3% more than in the previous year.

Control of New Brunswick Telephone Co. is held by the Bell Telephone Co. of Canada. However, the company is operated as an independent unit and there is a substantial public investment interest in the enterprise.

E. T. Telephone

Eastern Townships Telephone Co., controlled by Bell Telephone Co. of Canada, experienced a further expansion in operations last year.

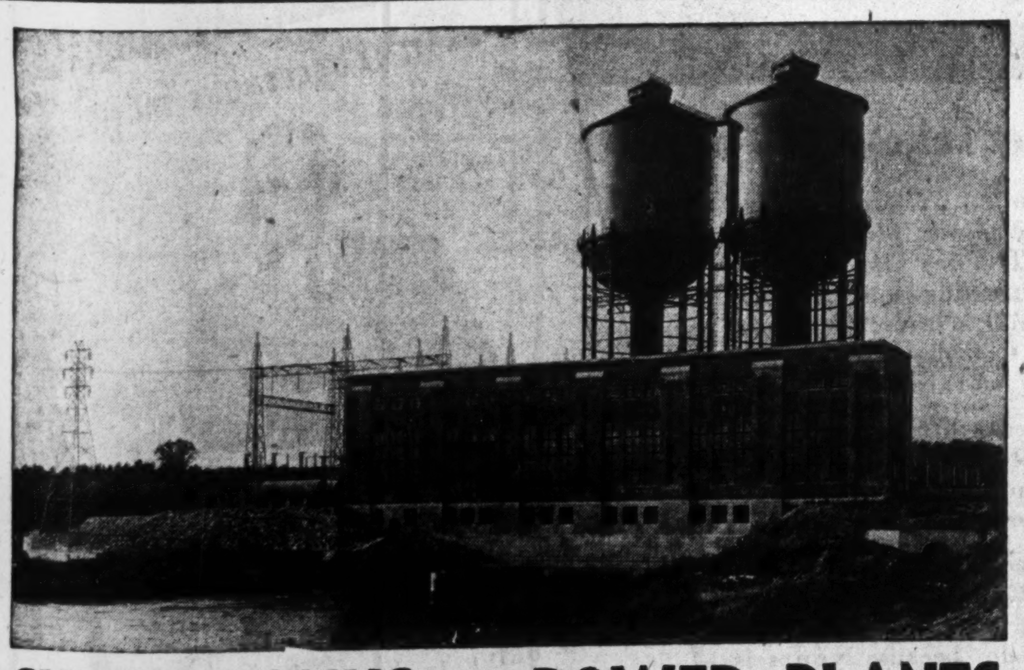
The company provides telephone service in the area centering around Sherbrooke, P.Q., where industrial activity has been at high levels.

Farmers Telephone

Farmers Telephone Co., controlled by Bell Telephone Co., serves Howick, P.Q., and surrounding territory.

In all seven exchanges are operated with about 1,200 stations connected. Earnings are stable and regular dividends have been paid since the capital stock was issued in 1934.

(Cont. on page 22, col. 1)



SURGE TANKS at POWER PLANTS

These two Johnson Differential Surge tanks have capacities of 2,160,000 gals. each and are 202 ft. to top. We fabricated and erected them for a large power project in Quebec.

In order to take greatest advantage of our facilities the steel controllers office has confined our present production to installations like this in vital industries. We hope that those who cannot obtain tanks and steel plate work now will not be too greatly inconvenienced and that we will be privileged to serve them after the war. In the meantime, we will be glad to discuss plans and designs for future use.

Write our nearest office for information.

HORTON STEEL WORKS LIMITED

TORONTO, ONT. MONTREAL, QUE. FORT ERIE, ONT.

Representatives: Mumford Medland, Ltd., Winnipeg — Gordon N. Russell, Vancouver

War Workers

STREET CARS and BUSES WILL ALSO CONTRIBUTE TO VICTORY

Transportation is vital to the War Effort. The whole industrial mechanism of the country which is now so importantly geared to war production is dependent on transportation at every turn, for successful functioning.

Because of drastic shortage of rubber and rationing of gasoline, war workers must depend less and less on the use of private automobiles, and more and more on street cars and buses.

211,309,838 Passengers in 1941

A gain of 29,283,235 over the year 1940

This is a measure of the splendid response of industry to the call for "Tools" of war, in the great Toronto Industrial Area.

To carry this great number of passengers (considerably over a million rides a day, including transfer passengers) quickly, conveniently and comfortably, requires careful co-ordination.

They cannot all ride at once. The Commission will gladly co-operate with industry to adjust its transportation services with working hours.

TORONTO TRANSPORTATION COMMISSION

GRAY COACH LINES

War work needs valves that can take it!

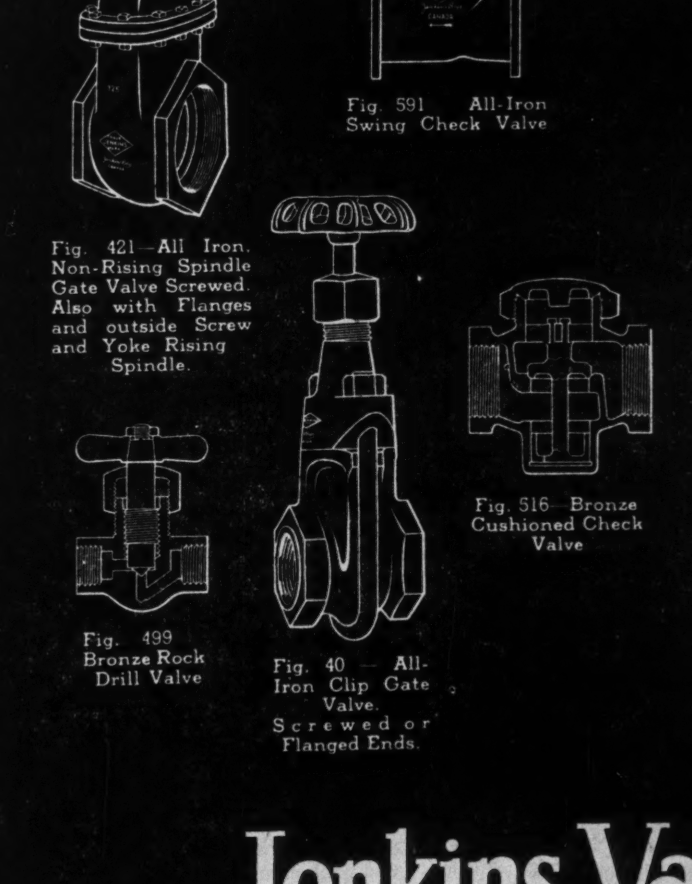


Fig. 421—All Iron. Non-Rising Spindle Gate Valve Screwed. Also with Flanges and outside Screw and Yoke Rising Spindle.

Fig. 591 All-Iron Swing Check Valve

Fig. 499 Bronze Rock Drill Valve

Fig. 40 — All-Iron Clip Gate Valve. Screwed or Flanged Ends.

Fig. 516—Bronze Cushioned Check Valve

and that's the kind we make!

Valves that stand up under the constant wear and tear of shock, corrosion and abrasives are a necessity to war work—hence the preference for the sturdy dependability of Jenkins Valves.

Wherever the service is most severe you'll find Jenkins Valves doing a good job.

Some Jenkins Valves are made of special corrosive-resistant alloys for services where corrosion is a major problem.

Whatever may be your valve problems, our engineers will gladly recommend the valves best suited to solve them.

Jenkins Valves

SINCE 1864

TRADE JENKINS MARK

Jenkins Bros

Always marked with the "Diamond"

BRONZE · IRON · STEEL

Coast Utilities Widen Service

British Columbia's Growing War Role Reflects in Power Demand

Consumption of electrical energy in British Columbia has increased 22%. In January, 1941, net consumption of firm power totalled 180 million kw.h. For January this year the figure was 220 million.

The situation on the west coast reflects the heavy influx of armed forces and soaring demand of industry in Vancouver and other coastal centres, as well as in certain of the interior areas.

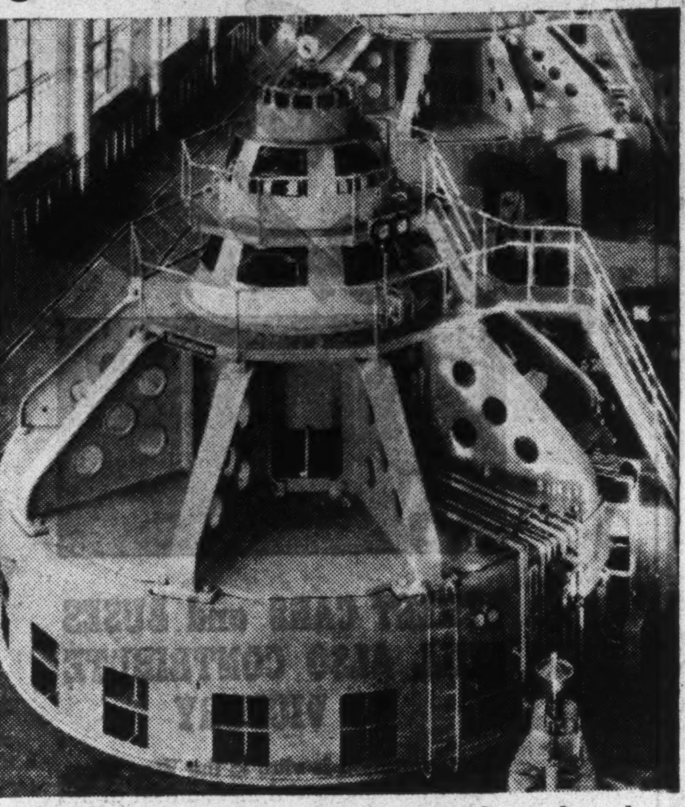
This condition has brought sharply increased demand for power for industrial purposes. At the same time the higher volume of employment has added appreciably to domestic and commercial demands.

On Vancouver Island, power operators such as B. C. Power Corp. and Nanaimo-Duncan, have experienced a marked growth in sale of power, and in number of customers served.

Around Vancouver, wartime conditions are most apparent. B. C. Power Corp.'s operating subsidiaries have had to contend with many of the problems common to the eastern operators in meeting the extraordinary conditions brought on by war.

In the interior West Kootenay Power Co. is meeting the heavy power requirements of its parent company, Consolidated Mining & Smelting Co.

Aside from these main areas, conditions generally throughout the province are appreciably more active than a year ago. Employment is greater. Spending power has increased. Retail trade has expanded. Net result is that power operators in British Columbia have had to handle a volume of business far above average.



Construction of mighty generators such as these has created a powerful supply industry, which incorporates some of the greatest names in modern enterprise. While the electrical utilities supply the fuel, the equipment companies have converted plants to war production, turn out guns and munitions.

B. C. Power

British Columbia Power Corp. is by far the largest public utility operator in western Canada, serving a territory of over 1,500 sq. miles with a population in excess of 450,000 embracing 28 different communities.

Actually B. C. Power is a holding company, operations being carried on through subsidiaries, B. C. Electric Railway Co., B. C. Electric Power & Gas Co., Vancouver Power Co. and Western Power Co. of Canada.

It provides a complete utility service—electricity, tramways and gas—to Vancouver and district. Further, it has extensive operations in Victoria and other places on Vancouver Island.

Vancouver and other centres served occupy an important place in the war effort and this is reflected in the scale of operations.

May Expand Plant

Growth of electrical utility operations has reached a point where if the demand continues at present rate, it may be necessary to carry out a new expansion programme. In that event the company will probably proceed with its Bridge River hydro-electric project. While this development was launched several years ago, it has not been carried past the initial stages. The present power plant is of a temporary nature, generating less than 5,000 h.p., consumed chiefly by the gold mines of the Bridge River area. The next step, it is expected, will be to step up the power plant. The original capacity of the first unit was to be 50,000 h.p., and to bring it up to that level would not cost a great deal.

While operations of late have been on a more extensive scale, this has not been reflected in net earnings. For the 11 months ended last November, net profits were equal to $1.98 a share on the common, compared with $2.02 a share for the like period of 1940. The increase in gross earnings was largely absorbed by higher operating costs and taxes.

Study Rate Structure

Securities of B. C. Power have been under pressure for some time as the rate structure is about to be determined by the newly-organized Public Utility Commission. Affairs of the principal operating subsidiary, B. C. Electric Railway, were recently reported upon by the Commission's chief engineer.

One feature of the report states B. C. Electric has not enjoyed monopolistic privileges and points out that at various times other companies have secured competitive power rights.

Analyses show two of the major operations had a consistent loss during the 1935-39 period. The biggest loss was sustained by the interurban transportation system in the lower mainland, including the line between Vancouver, New Westminster, Chilliwack and Steveston. The Victoria and district tramways system also has repeatedly shown a loss on operations.

Largest operating profit was shown in the company's lower mainland electric utilities, including Greater Vancouver.

The chief engineer made a number of recommendations which, at this stage, do not necessarily presage a rate reduction.

West Kootenay

West Kootenay Power & Light Co. ranks after British Columbia Power Corp. as the most important power utility on the west coast.

Plant and operations are designed primarily to meet the needs of the parent company, Consolidated Mining and Smelting Co. of Canada.

For some time past, West Kootenay Power has been carrying out a steady programme of plant expansion in order to meet these needs.

In 1940 installation of two units of 25,000 h.p. each at the Upper Bonnington station was completed.

Start New Plant

Work is now under way at Brilliant, the only remaining undeveloped site on the Kootenay River, downstream from Nelson. This site will provide for an installation of 90,000 h.p.

Since commencement of the war, Smelter's operations have been on a capacity basis, practically all of its output being under contract to the British Government. There has been a demand for all the power that can be produced.

There is a limited direct investment interest in the company. All the funded debt is held by the Sun Life Assurance Co. of Canada. Preferred stock is closely held, while the common is all owned by Smelters.

East Kootenay

East Kootenay Power Co.'s financial problems have come to a head and plans are now under way to carry out a reorganization.

The 7% first mortgage bonds, of the company fall due on April 1 next. There are $1.9 millions of these bonds outstanding on which interest and sinking fund payments have been met regularly since issued in 1922. It would be impossible to refund the bonds on a reasonable basis at this time. The problem is further complicated by the fact that the bonds are payable in U. S. funds and a premium of about $200,000 would have to be met at present rates.

In order to avoid default, the company has called a meeting of bondholders to consider a plan extending the maturity of the bonds for 10 years, or until April 1, 1952; extend the sinking fund to November, 1951, and to give the company the right to call the bonds at par instead of a premium of 10%. Other minor changes are suggested.

Acceptance by bondholders of this plan would immeasurably improve the position of the company. Prospects are it will be accepted.

From the point of view of operations and finances the company is bettering its position. Business in the areas served, the coalfields of southeastern British Columbia and southwestern Alberta, and base metal operations in the Kimberley, B.C. territory, have shown marked improvement because of war conditions.

Pacific Power

Pacific Power and Water Co. supplies about 2,400 customers in the Chilliwack district of British Columbia with electric light and power, telephone and domestic water services. In the year ended June 30, 1941, the company had a total income of $93,730 against $89,813 in 1940. Net profit after all charges was $11,513, against $9,617. Profit covers prior preferred dividend requirements, with a small balance available for the second preferred on which no dividends have been paid for about two years. It is understood that consideration is being given to the advisability of some form of recapitalization of the company's share structure.

Nanaimo-Duncan

A group of communities on the east coast of Vancouver Island is served with electric light and power services by Nanaimo-Duncan Utilities, Ltd. In addition, the company serves the city of Duncan with water. Population served approximates 15,000.

The company reported increased business in every department in the year ended June 30, 1941. Residential use of electricity was up about 15% and commercial and power use about 12%.

Last year the company spent about $110,000 on plant additions, including a 500 kw.h. generating station and some distribution lines. Steam, diesel and hydro-electric power generation plants are used. New mines opened by Canadian Collieries are being served as well as military establishments.

West Canadian

West Canadian Hydro Electric Corp. supplies electric light, power and telephone service in the Okanagan Valley district of British Columbia. In the year ended June 30, 1941, the company registered progress with electric customers increasing to 3,739 and telephone stations increasing to 6,043. Total gross revenue was up $25,184 on the year and the sale of electrical energy up 1.1 million kw.h.

The company is proceeding with construction of a storage dam at Sugar Lake and a new 60,000 volt line. This project, authorized by the Department of Munitions and Supply, is to augment the power available to West Kootenay Power so that the latter may release a corresponding amount of energy to the plant operated by Consolidated Mining and Smelting. Total cost of the work will be about $350,000, which is in addition to the $300,000 already appropriated by West Canadian Hydro for its new 35,000 K.V.A. unit at Shuswap Falls.

Canadian Securities

Dominion and Provincial Government Bonds

Municipal Bonds

Public Utility and Industrial Financing

DOMINION SECURITIES CORPORATION LIMITED

TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.

15 King Street West, Toronto

War Makes 'Phone History

(Continued from page 21)

Okanagan Tel.

Okanagan Telephone Co. supplies telephone services in Okanagan Valley and adjoining territory. The company is a subsidiary of West Canadian Hydro Electric Corp. The organization operates the second largest telephone system in British Columbia. Directly and through its two wholly owned subsidiaries Summerland Telephone Co. and Solar Telephone Ltd., the company serves a population of more than 40,000.

Common stock of Okanagan Telephone is owned entirely by West Canadian Hydro Electric with public investment interest confined to the outstanding 4¼% first mortgage and collateral trust serial bonds due June 1, 1942 to 1959. On June 1 next the first serial maturity of $15,500 becomes payable.

In the year ended June 30, 1941, the organization had an operating revenue of $224,790 against $221,786 in 1940. Net profit after all charges including bond interest amounted to $42,648 in 1941 as compared with $37,502 in 1940. As at June 30, 1941, the company's working capital totalled $41,707.

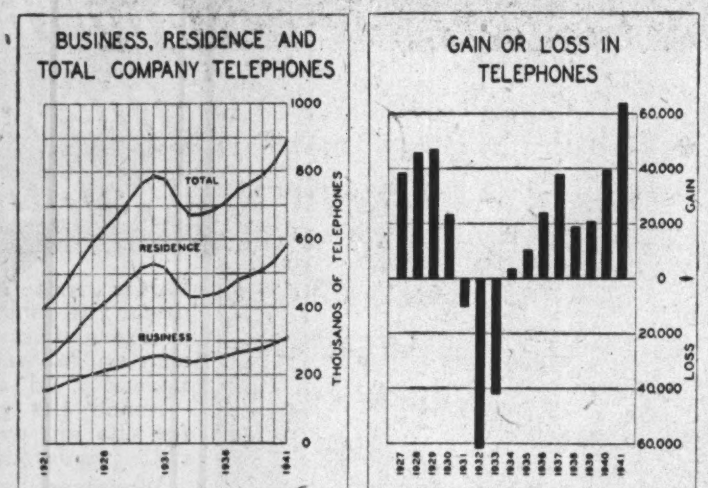
Quebec Telephone

In common with other telephone communication systems, Quebec Telephone & Power Corp. has experienced a comparatively sharp increase in demand for its services; 10.4% in number of stations installed at end of 1941.

This company, which serves 14 counties of Eastern Quebec, is an important link in the telephone service between Upper Canada and the Maritime Provinces. In addition and in conjunction with Canadian Marconi, it operates direct telephone communications between the north and south shore of the St. Lawrence.

To date the increase in gross income has not been reflected in the net profits. No dividends have been paid on either Class A or Class B stock since the beginning of 1931. Dividends are non-cumulative.

Communications Speed War



Record gains were experienced by the Bell Telephone Co. of Canada in the demand for new services last year, while number of stations in operation at the beginning of 1942 was the highest in the history of the company. The experience of this company operating in the Ontario and Quebec area, is typical of that reported by telephone operators in other parts of the Dominion, indicating the unusually heavy demands made upon communications in wartime

Avalon Telephone

Avalon Telephone Co.'s services climbed to a new record level over the past year.

Telephone service is provided in St. John's and, through the United Towns Electric Co., in Conception Bay. In addition the company has connected by long distance toll lines the principal towns and settlements of the Avalon Peninsula. It has provided a wireless telephone hook-up with Corner Brook and also has participated in providing wireless and telephone services between St. John's and Montreal.

The number of telephones on the system at the end of last year reached the all-time figure of nearly 9,000, an increase of more than 1,000 since war began. No figures are available on long distance toll traffic, but in view of the establishment of Canadian and United States armed services on the Island, it is assumed that the traffic is also at a new high level.

Taxes and higher operating expenses have kept pace with the advance in gross earnings, but net profits to date have been sufficient to cover the common dividends at $1.75 a share, a rate which has been maintained for some years.

Island Telephone

Telephone service on Prince Edward Island is provided by the Island Telephone Co., a subsidiary of Atlantic Utilities Ltd. which in turn is a wholly owned subsidiary of Maritime Telegraph & Telephone Co. Operations have undergone a relatively sharp expansion, due primarily to the establishment of military and air force training camps on the Island.

At the end of 1941 the Island Telephone Co. had in operation 4,718 stations, compared with 4,361 at the close of the previous year.

Northern Telephone

Much of northern Ontario and sections of Quebec are supplied with telephones by Northern Telephone Co. From its head office at New Liskeard, Ontario, local exchanges are located at 24 centres including Cobalt, Kirkland Lake, Kapuskasing, South Porcupine and Timmins, Ontario, and Amos, Noranda and Rouyn, Quebec.

In 1940 the company showed a gain of 580 telephones, compared with gains of 1,138 in 1939 and 1,483 in 1938. There were 13,506 telephones in use at Dec. 31, 1940.

CLEAR TELEPHONE LINES FOR All-Out Production

Canada's Airpower Takes Right-of-Way

Airpower will win this war . . . airpower *plus* navy—air-power *plus* army — airpower *plus* total resources. The Commonwealth Air Training Plan is producing air-power at top speed: 4000 training planes flying a million miles a day from 92 training centres; 5000 more being delivered this year from Canadian factories; soon 25 Canadian squadrons in Britain, more to follow.

This vast programme means literally thousands of additional telephone calls, urgent calls, calls that must get through promptly if the job of fitting wings to Empire is to proceed without delay.

Perhaps *your* telephone line doesn't carry messages directly concerned with Canada's production of airpower. But avoiding delays on your line helps clear others that do, because yours is part of an interlocking system. So . . . avoid delays, use Wartime Telephone Tactics and help speed Canada's wartime production.

WARTIME TELEPHONE TACTICS

- BE SURE you have the right number . . . consult the directory.
- SPEAK distinctly, directly into the mouthpiece.
- ANSWER promptly when the bell rings.
- BE BRIEF. Clear your line for the next call.
- USE OFF-PEAK hours for your Long Distance Calls.

These things may look trifling, but on 6,500,000 daily telephone calls, they are very important.

On Active Service — THE BELL TELEPHONE COMPANY OF CANADA — LOCAL LONG DISTANCE TELEPHONE — Giving Wings to Words

Holding Units Hit by Taxation

Operating Subsidiary Profits Feel Rising Costs and Tax Levies

Taxation continues to be the bugbear of the utility holding companies. With scarcely an exception operating units have recorded substantial, often record gains in services and power sales. Yet the advance in gross income has been largely eaten up by higher expenses and taxes. The net result is:

Holding companies have not shared in the larger scale operations through increased dividends. They have had to contend with higher costs. As a consequence the utility holding companies are not able to record any appreciable progress.

Canadian investors have a substantial stake in foreign utility properties through holding companies incorporated in this country. International Power Co. has a controlling interest in properties from Newfoundland to South America, all in the Western hemisphere. In the same geographical area is Jamaica Public Service. Interest in European utilities extends through Foreign Power Securities and Hydro Electric Securities Corp.

Power Corp.

Power Corp. of Canada through its controlled or associated companies has a substantial interest in public utility properties in Quebec, Ontario, Manitoba and British Columbia. Though no list of investments has been published in recent years, it is understood the company also has an interest in a number of other enterprises in Canada, the United States and elsewhere.

Known to have a controlling interest in East Kootenay Power, Canada Northern Power, Northern B.C. Power and Foreign Power Securities, it also has substantial investments in B.C. Power, Winnipeg Electric and Southern Canada Power. Over 65% of its funds are invested in the subsidiary and affiliated companies.

There has been no major change in the position of Power Corp. of Canada of late. Operations in which it is interested have undergone further expansion but due to increased taxes they have not been in a position to increase dividends. Revenues of Power Corp. last year showed a moderate decline and it was necessary to reduce the dividends on the common stock from 60 cents to 30 cents a share annually.

Extensive Operations

Some idea of the extent of operations of the affiliated companies of Power Corp. of Canada may be gathered from the following data for the 1941 fiscal year:

Population served	1,500,000
Customers:	
Light and power	271,182
Gas	70,150
Electric output, M. kw.h.	2,527,885
Gas output, M. cp. ft.	2,487,168
Merch. and stores	50
Buses operated	268
Bus route mileage	499
Street rly. cars	813
Street rly. mileage	433
Trans. line mileage	3,179
Distrib. line mileage	4,644

Prospects are that, at least for the duration, public utility dividends will not increase, so that Power Corp. of Canada's revenues are not likely to show appreciable gain.

United Securities

United Securities Ltd., which controls the majority of stock in Montreal Tramways Co. and Canadian Light & Power, will shortly undergo reorganization.

Montreal Tramways is no longer in a position to pay dividends on its common stock. Under the capital reorganization carried out by the tramway company, that company will not be in a position to pay dividends for several years to come.

Consequent upon this situation, income of United Securities has depreciated to a point where it is no longer in a position to pay interest on its own bonds. At the same time the value of the specific security pledged behind the collateral trust bonds has declined to a point well below par.

While reorganization of United Securities is in prospect, it is too early to say what form it will take. Obviously any arrangement must take cognizance of its depleted earning power and the depreciated value of its investment portfolio.

Another factor to bear in mind is that in order to retain control of the company, Montreal Light, Heat & Power Cons. and the Shawinigan Water & Power Co. may make a special concession to the bondholders.

I.H.E. System

International Hydro-Electric System, which controls Gatineau Power Co. in Canada and New England Power Association and other valuable properties in the United States, faces a reorganization.

The 6% debentures, due 1944 are widely held in Canada. They sell substantially below par for two reasons; (1) doubt as to the ability of the company to maintain interest payments and (2) anticipated difficulty in refunding the debentures when they mature two years from now.

Income of the system is derived principally from holdings in Gatineau Power Co. It also has a revenue of about $750,000 annually from its New York properties and other sources. Revenue from these two sources will be about $350,000 short in 1942 of covering expenses and interest on its own debentures. However, by drawing upon cash reserves, the company can meet all charges.

The system is not in a position to carry on much longer in this way and plans are now being worked upon to carry out reorganization which may not only lighten the interest burden, but provide for an extension of the maturity date of the debentures.

As conditions now stand the company has reasonable prospects of maintaining revenue from its New York properties at $750,000 annually. Income from its holdings in Gatineau Power may decline due to higher taxation, but, nevertheless, revenues from all sources should be sufficient to enable the company to pay at least 4% on its debentures without drawing upon reserves. It is hoped a plan will be worked out in order to avoid a complete stoppage of interest.

Hydro Elec. Secs.

Hydro - Electric Securities Corp., one of the largest holding companies in Canada, is chiefly interested in utility securities though in recent years it has brought about a wider diversification of its investments. While head office and management is located in Canada, there is a very substantial foreign interest in this concern.

The most recent report of the company—1940—shows market value of investments, aside from some $2.9 millions invested in France and Belgium, of $10.3 millions. This was $7.2 millions less than book value, against which the company had set up reserves of about $3.6 millions. Break-up value of common shares at the end of 1940 was $2.78 each, compared with $4.90 at the end of the preceding year.

Dividends have been paid regularly on the preferred stock, while occasional payments have been made on the common.

Hydro Elec. Bond

Hydro-Electric Bond & Share Corp. is one of less than half a dozen holding companies formed in Canada. In operation since 1927, control of this company is held by interests closely identified with Montreal Light, Heat & Power Cons.

No statement has been issued since formation and consequently it is impossible to comment on the current position of the company. However, interest charges have been paid promptly, while the amount of outstanding bonds has been reduced from the issued figure of $3.5 millions to $1,977,500 as last reported.

Jam. Pub. Service

One of the important public utility interests held by Canadians outside Canada is Jamaica Public Service Ltd. which, through the operating company of similar name, supplies utility services on the Island of Jamaica.

Operations and earnings reflect economic conditions in Jamaica. The war has disrupted markets, shipping facilities, etc., so that the normal export trade of the island in sugar, bananas and other products of a like character have not moved along a normal course. Nevertheless conditions have not been at all unsatisfactory and operating revenues have expanded at a rate slightly in excess of increasing taxation.

Spend on Plant

Over the past year capital expenditures amounted to some $400,000. Principal item was an addition to the steam unit to increase steam capacity by more than 50%. The year previously about $150,000 was spent on additional wharfage to accommodate oil tankers.

During the past year the company issued an additional $274,626 of 5% preference shares, "D." Against this, investment in the utility plant increased by $350,000, while cash and other liquid assets were appreciably higher.

Newfound. Light

Newfoundland Light & Power Co., one of the principal subsidiaries of International Power Co., owns and operates electric lighting, power and tramway services of St. John's and surrounding territory.

War conditions have had a marked effect upon operations and earnings. The large influx of armed forces from Canada, the United States and elsewhere, have called for greatly increased services. The financial statement for 1941 is expected to reflect this situation, and also the additional revenue arising out of the new power plant which was completed at Tors Cove in the early part of 1941.

Financial returns have been remarkably steady over a period of many years. For example, net revenue available for interest fluctuated between $258,233 and $300,112 between 1934 and 1940. The company has maintained all obligations in connection with its bonded debt and has paid a dividend of $8 a share on its capital stock since 1927.

Direct public investment interest in Newfoundland Power is confined to the first mortgage and general mortgage bonds. All the common stock is held by International Power.

Pacific Western

Pacific Western Investment Co. has as its principal assets 51,000 common shares of Western Canadian Hydro Electric Corp., 1,919 second preferred shares and 12,651 common shares of Pacific Power and Water Co. These assets are almost totally pledged as collateral for the company's 6% bonds due November 15, 1959.

In the report for the year ended June 30, 1941, it is stated that the position of the company is precarious and that directors were seeking some solution in the hope of avoiding an early default on the debentures. The statement adds that it is hoped that before long directors will be able to present some plan of reorganization to give to each class of security holder everything possible under the circumstances. The company's balance sheet shows a deficit of $386,558.

Internat'l Power

International Power Co., a public utility holding company, controls properties in South and Central America, the West Indies and Newfoundland.

Operations are carried on through nine subsidiary companies; Bolivian Power Co., Monterey Railway, Light & Power Co., Newfoundland Light & Power Co., Oriente Electric Co., Oruro Electric Light & Power Co., Porto Rico Power Co., San Salvador Electric Light Co., Demerara Electric Co. and Electric Power Co. of Venezuela.

Public investment interest lies in the debentures, preferred, common stock of International Power and in the senior securities of Newfoundland Light & Power, Bolivian Power, Demerara Electric and Porto Rico Power Co.

So far the war apparently has not had any detrimental effect upon operations or earnings of the subsidiary companies. This in turn is reflected in the improved position of the parent company. With the exception of the period from 1937 to date, earnings on International Power 6% stock were consistently short of dividend requirements, while deficit earnings were shown on the second preferred.

Earnings and financial position of the company have shown definite improvement in recent years. In 1940, the last year for which complete returns are available, earnings on the common stock amounted to 70 cents a share, against 61 cents in 1939 and a deficit of 71 cents a share in 1938.

Because of this improvement in earnings, the company has been paying regular quarterly dividends of $1.75 a share on the first preferred, together with interim payments on account of arrears.

The better financial position is reflected in the steady reduction in bank loans, while funded debt of the company and its subsidiaries in the hands of the public was reduced by $1.4 millions during 1940.

Canada Ranks High In Telephone Use

Greatest concentration of telephones in Canada is in the central region, but British Columbia leads all provinces in respect to telephone installations, with 12 residence phones for every 100 persons. All telephones, including business instruments and pay stations, total 17.8 for every 100 of population.

The following tabulation shows telephone densities in the provinces:

(Telephones per 100 Population)

Province:	Residence	All Telephones
P. E. I.	4.1	5.8
Nova Scotia	6.1	8.7
New Brunswick	4.9	7.4
Quebec	5.8	9.5
Ontario	11.6	16.5
Manitoba	6.4	9.9
Saskatchewan	6.7	8.5
Alberta	5.6	8.7
British Columbia	12.0	17.8
Yukon Territory	1.9	4.3
Total	8.2	12.1

MORE POWER PER EMPLOYEE

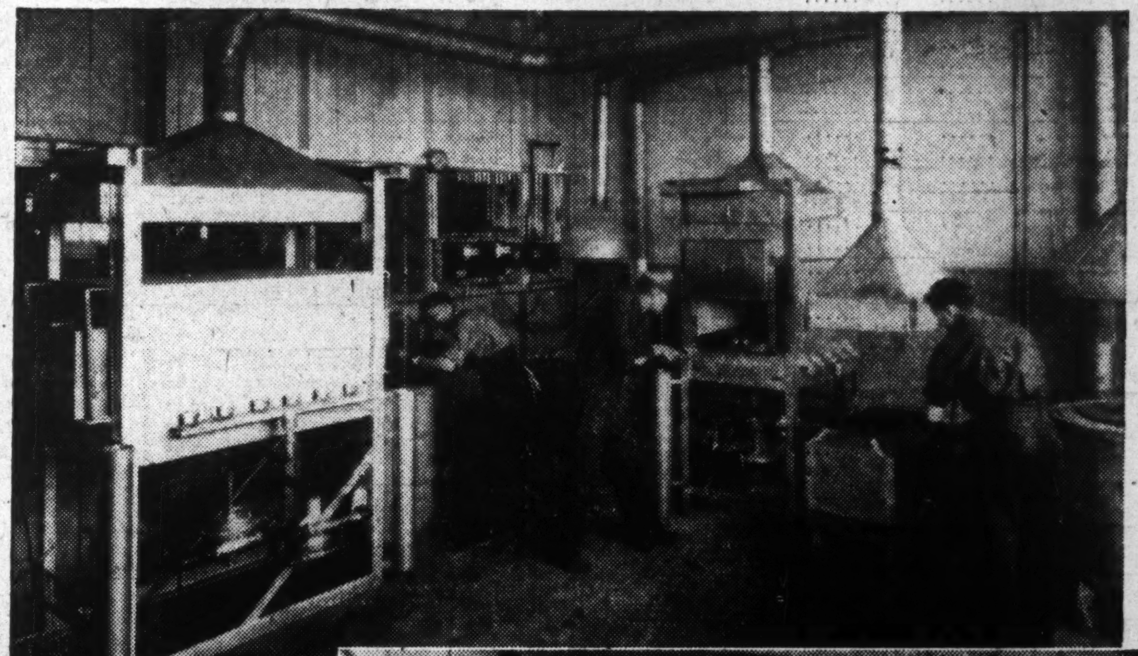
Average horsepower of equipment per employee is greater in wood and paper products than in any other manufacturing industry. Next in order of importance is non-ferrous metal products, followed by non-metallic mineral products.

ARE YOU STUCK?

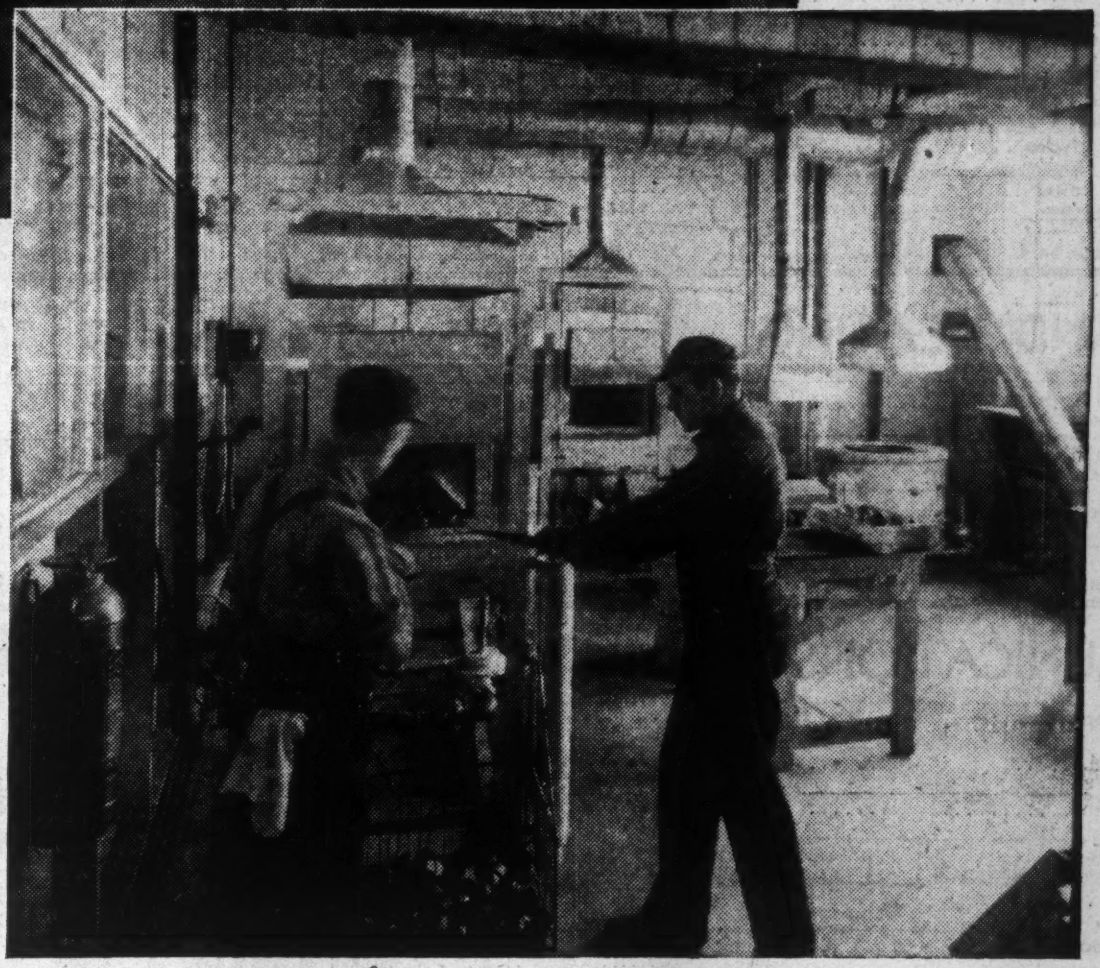
We can handle still more war work—possibly make the part you need. Equipped to handle anything in steel — large or small. Can we help you?

BORDER CITIES WIRE and IRON WORKS
WALKERVILLE, ONTARIO

Making the Tools with Gas



Gas Fired Oven furnaces — tempering and drawing furnaces and Pot Furnaces for precision heating



—at the Cutlery Division Metal Stampings Ltd., Toronto

GAS is being supplied to military establishments for cooking, water heating and sterilizing and to manufacturing concerns engaged in making war supplies.

Present war requirements are so complex that it is difficult to present an adequate picture of the activities in which gas plays so important a part.

Gas is used extensively in the production of:

AIRCRAFT INSTRUMENTS AND ACCESSORIES
STORAGE BATTERIES FOR TANKS, GUN CARRIERS, AIRCRAFT & MARINE USE
MARINE BOILERS
PRECISION TOOLS AND DIES
LATHES FOR THE MANUFACTURE OF SHELLS
ANTI-AIRCRAFT SHELL CASES
CARTRIDGE CASES
BREN, COLT AND BROWNING MACHINE GUNS
RIFLES
REVOLVERS
LAND MINES
PRACTICE BOMBS
SEAPLANE MARKER BOMBS
TOOLS AND GAUGES FOR AIRCRAFT
PARTS FOR AIRCRAFT ENGINES
STEEL HELMETS
GAS MASK PARTS
And Much Other Equipment.

The Consumers' Gas Company of Toronto

Statistical Record of Canada's Public Utilities

POWER

POWER	Year	Operations Electricity M. Kw.h.	Operations Gas M. Cu. Ft.	Net Bonded Debt 000's $	Gross Income 000's $	Depreciation 000's $	Taxes Paid 000's $	Bond Interest Covered $	Share Profits Pfd. $ "A"	Share Profits Com. $ "B"	Com. D.V.D. $ "A"	Surplus After Charges $	Net Working Capital 000's $	Price Range Common Stock High "A"	Price Range Common Stock Low "A"	Current Price "A"	Current Yield on Common %
B. C. Power Corp.	1940	636,897	1,444,700	*37,697	16,951	2,305	2,772	1.92	2.03	0.03	2.00	61,265	1,158	30	23	19	10.5
*Includes $20,797,625 of subs. †6 Mos. to Dec. 31.	1939	590,108	1,407,351	38,497	†8,065	†1,143	†973	1.92	1.04	0.04	2.00	†75,417	†1,084	29	20	...	...
Beauharnois Light, H. & Power	1941	600	...	75,956	5,566	1,347	...	...	...	...	Nil	...	*212	11	6½	9⅝	...
†Excess of current liabilities over current assets.	1940	400	...	75,956	4,338	338	...	...	...	...	Nil	...	2,077	9½	9	9¼	...
Calgary Power Co.	1940	161,311	...	11,550	2,338	400	*213	1.99	6.25	0.42	Nil	14,581	1,078	70	70	...	...
*Provision for income tax.	1939	145,396	...	11,704	2,173	300	*129	2.11	8.62	4.32	Nil	151,153	582	82½	70	...	...
Canada Electric Co.	1940	...	...	1,300	389	...	...	...	...	...	5%	...	...	...	...	...	...
	1939	18,650	...	1,300	374	...	...	...	...	...	6%	Not available	...	...	...	...	...
Canada Northern Power Corp.	1941	731,329	...	14,304	4,994	720	870	2.69	...	0.61	†0.90	*76,555	2,678	11	4¼	5	...
*Deficit. †Present rate 60c.	1940	742,830	...	14,565	5,020	733	693	2.53	14.02	0.97	1.13	*51,357	2,638	18	8¾	7½	12
Canadian Utilities	1941	28,326	...	2,600	1,401	140	209	3.38	...	...	0.26	64,200	239	...	...	...	...
	1940	24,593	...	2,646	1,308	130	115	2.99	...	...	0.25	...	218	...	...	...	...
Canadian Light & Power Co.	1940	...	...	2,686	447	88	26	1.37	...	1.00	1.00	13	531	18¼	12	12	8.3
*Income taxes paid.	1939	...	...	2,778	430	90	*7	1.31	...	1.28	1.00	9,451	529	17¼	12½	...	...
Canadian Western Natural Gas	1940	...	7,712,119	...	2,153	122	375	...	16.67	3.47	2.15	35,868	710	...	...	...	...
	1939	...	6,966,798	...	2,177	85	265	...	18.10	4.06	3.00	14,518	784	...	...	...	...
Dominion Gas & Electric	1940	24,593	11,651,831	4,243	4,653	405	794	2.07	11.74	0.76	0.25	79,303	643	...	...	...	...
	1939	22,714	10,479,137	4,243	4,454	423	570	2.32	14.84	1.25	0.50	80,180	894	...	...	...	...
Dominion Electric Power	1940	...	...	756	523	94	...	...	...	...	3.50	...	90	...	...	...	...
*$21,000 paid in 1939.	1939	...	...	768	487	86	17	Not available			*	61,651	59	...	...	...	...
East Kootenay Power	1941	106,757	...	1,939	607	120	27	1.45	...	d2.34	Nil	...	†1,853	0.50	0.50	...	...
†Excess of curr. liab. over curr. assets.	1940	96,827	...	1,962	544	68	25	1.25	...	d2.34	Nil	...	†1,960	...	...	0.50	...
Eastern Light and Power	1940	...	...	1,000	496	39	59	...	...	0.85	0.80	3,490	78	...	...	...	...
*Deficit.	1939	...	...	583	442	42	39	4.66	...	1.04	1.20	*9,360	31	...	...	...	...
Eastern Utilities *Includes fees. †11 months.	†1940	...	...	1,575	122	...	*8	...	...	...	Nil	29,603	105	...	...	...	...
Gatineau Power Co.	1940	3,087,902	...	78,642	9,779	1,200	1,637	1.93	†13.77	0.82	0.80	20,487	‡313	16⅛	9	5	...
*Incl. inc. tax. †Excess of curr. liab. over curr. assets.	1939	3,018,590	...	80,350	9,421	1,200	*833	1.76	†15.82	1.04	.80+.05	329,890	130	16¼	11	...	...
Great Lakes Power	1941	363,813	...	6,202	571	255	*226	2.06	36.35	7.33	Nil	168,757	†247	...	...	...	...
*Incl. inc. tax. †Excess of cur. liab. over assets.	1940	313,948	...	6,200	507	238	*193	1.90	30.54	5.89	2.00	116,581	†69	...	...	...	...
Lower St. Lawrence Power	1941	...	...	1,385	401	86	45	1.88	4.02	d0.79	Nil	32,179	60	...	...	...	...
	1940	...	...	1,401	367	86	33	1.57	2.66	d1.33	Nil	13,301	35	...	...	...	...
Maclaren Quebec Power	1941	...	...	18,636	1,844	359	69	1.22	...	...	Nil	20,395	...	...	...	...	...
*Loss.	1940	...	...	21,886	1,469	250	...	0.98	...	...	Nil	*148,624	...	...	...	...	...
Maritime Electric	1940	...	...	1,345	551	56	*23	1.99	...	11.15	6.00	18,035	44	...	...	...	...
*Including income tax.	1939	...	...	...	521	54	*7	1.75	...	10.35	6.00	15,230	56	...	...	...	...
Montreal Island Power	1941	...	...	9,065	782	...	...	*1.24	...	...	Nil	122,730	†125	1.00	.25	.25	...
*Before deprec. †Excess of curr. liabs over curr. assets.	1940	...	...	9,065	763	...	...	*1.19	...	...	Nil	96,737	†191	.25	.10	.30	...
Montreal Light, H. & Power Cons.	1941	...	...	*89,627	31,119	4,495	7,118	3.70	...	1.88	1.50	448,081	4,568	29¼	20½	20⅜	7.3
*Including funded debt of subsidiaries.	1940	1,349,543	4,994,458	*90,721	28,152	3,233	5,926	3.42	...	1.77	1.50	443,439	4,794	31¾	25	25½	...
Nanaimo-Duncan Utilities	1941	*17,237	...	535	246	65	78	5.90	8.59	0.57	0.45	8,975	45	...	...	...	...
*Sales for year ended June 30.	1940	*15,426	...	544	204	61	52	4.25	7.35	0.44	0.40	7,833	29	...	...	...	...
National Light & Power	*1941	26,024	...	1,294	451	63	...	...	...	...	...	...	...	...	...	...	...
*8 months ended Aug. 31.	1940	34,783	...	2,323	645	92	62	1.93	...	...	0.21½	54,230	90	...	...	...	...
Newfoundland Light & Power	1940	...	...	2,836	674	100	...	...	...	...	8.00	...	...	...	...	...	...
	1939	Not available		2,584	671	100	...	...	Not avail.		8.00	Not avail.	...	...	...	...	...
Nova Scotia Light & Power	1940	72,155	185,035	7,566	3,272	541	517	2.42	16.05	7.07	6.00	36,983	†186	93	85	88	6.8
*Excess of curr. liab. over current assets.	1939	60,363	158,336	7,650	2,737	367	353	2.36	15.06	6.56	6.00	19,426	†234	95¼	92	...	...
Ottawa Light, Heat & Power	1940	...	...	4,639	1,012	348	273	2.56	10.40	0.65	1.00	*48,267	257	16	9¾	4¾	...
*Deficit.	1939	Not available		4,915	1,011	345	218	2.52	13.80	1.07	1.00	9,518	469	15½	14	...	...
Pacific Power & Water	1941	...	...	263	94	23	9	...	3.32	d0.32	Nil	1,143	44	...	...	...	...
*Deficit.	1940	...	...	271	89	22	6	...	2.68	d0.44	0.10	*6,508	39	...	...	...	...
Pacific Western Investment	1941	...	...	102	5	...	...	...	...	...	...	*3,367	...	...	...	...	...
	1940	...	...	110	15	...	...	...	...	...	...	*6,838	4	...	...	...	...
Porto Rico Power	1940	...	...	1,474	1,325	250	...	8.44	52.29	15.10	8.00	212,956	*248	...	...	...	...
*Excess current liabilities over assets.	1939	Not available		1,838	1,119	250	...	5.27	50.58	14.53	8.00	195,795	538	...	...	...	...
Quebec Power Co.	1941	...	395,049	12,292	3,766	450	567	2.99	...	1.04	1.00	24,474	642	14½	9½	12½	8
*Deficit.	1940	...	326,086	12,419	3,519	450	448	2.96	...	0.95	1.00	*30,058	582	17¼	13	11½	...
Saguenay Power Co.	†1941	...	...	32,700	4,117	549	914	2.37	31.36	2.20	5.50	§10,634	...	107	103	105	5.2
	1940	...	...	32,700	5,349	718	1,394	2.45	25.25	4.70	5.50	147,526	‡19	108	99	...	...
Shawinigan Water & Power	1941	6,270,760	...	85,005	20,064	2,400	3,210	2.10	...	1.06	0.90	359,838	4,040	17	12	13¼	6.8
*Includes income taxes prior to 1936 and tax adjustmeants. †Excess curr. liab. over curr. assets. §Deficit.	1940	5,606,892	...	89,909	17,065	2,000	2,381	1.83	...	0.95	0.90	104,517	6,778	24¼	16	15	...
Southern Canada Power	1941	243,794	...	6,111	2,994	335	*550	5.82	10.65	0.82	0.80	9,752	2,647	11	8	8¾	9.2
*Provision for income tax.	1940	244,261	...	6,134	2,706	309	*325	4.85	10.92	0.87	0.80	29,136	2,578	15	9¼	10	...
West Canadian Hydro	*1941	...	...	2,202	487	79	44	1.84	0.94	0.18	0.10	15,038	117	...	...	...	...
	*1940	...	...	2,092	499	89	48	1.76	0.85	0.12	0.10	4,879	104	...	...	...	...
West Kootenay Power	1940	...	...	8,243	4,169	729	*882	7.59	257.11	20.46	25.00	‡277,434	3,655	...	...	...	...
*Provision for income tax. †Revenue producing load.	1939	†189	...	8,473	4,015	672	*611	7.51	327.88	26.25	25.00	76,410	4,670	...	...	...	...
Winnipeg Electric	1940	791,034	...	36,943	3,746	1,565	538	†13.09	2.48	d0.13	Nil	363,896	2,462	2.63	.50	0.75	...
*On 4½% 1st mortgage bonds. †3½% bonds.	1939	838,976	not available	36,946	3,499	1,194	530	*11.02	4.36	0.03	Nil	458,032	1,486	3.50	1.00	...	...

GAS AND HEATING

GAS AND HEATING	Year	Gas M Cu. Ft.	Net Bonded Debt $	Gross Income $	Depreciation	Taxes Paid $	Bond Interest Covered $	Share Profits Pfd.	Share Profits Com.	Com. Dvd. $	Surplus After Charges $	Net Working Capital $	Price Range Common High	Price Range Common Low	Current Price $	Current Yield on Common %
Consumers' Gas Co.	1941	5,536,848	Nil	7,575,865	...	...	...	...	11.27	*8.50	877,242	3,654,440	145	111	126½	6.3
*Present rate $8.00.	1940	5,285,787	Nil	7,271,118	...	...	...	...	10.85	10.00	565,360	3,526,434	178	140	130	...
Northwestern Utilities	1940	3,939,712	2,400,000	1,224,026	...	213,170	3.93	21.42	...	2.30	12,094	*3,030	...	...	...	...
*Excess of curr. liab. over curr. assets.	1939	3,512,339	2,500,000	1,159,046	...	166,273	3.54	24.11	...	2.50	33,392	123,502	...	...	...	...
United Fuel Investments	1941	...	5,745,000	1,484,903	239,741	‡353,000	3.85	4.52	0.76	nil	137,181	1,537,508	...	...	...	...
†Including subs. ‡Income tax.	*1940	Not avail.	5,824,000	1,226,029	241,131	‡135,249	2.95	5.26	1.13	nil	203,300	1,511,093	...	...	...	...
Union Gas Co.	*1941	...	4,139,200	2,670,245	587,575	‡595,000	7.96	...	1.41	.80+.20	290,544	1,502,392	14½	9¼	9¼	10.8
‡Inc. tax. *Year end. Mar. 31.	*1940	...	4,668,500	2,463,851	541,796	‡262,000	6.81	...	1.60	.80+.20	423,978	1,375,024	17	12	12	...

COMMUNICATIONS

COMMUNICATIONS	Year	Telephones in Service	Net Bonded Debt $	Gross Income $	Depreciation $	Taxes Paid $	Bond Interest Covered $	Share Profits Pfd. $	Share Profits Com. $	Com. Dvd. $	Surplus After Charges $	Net Working Capital $	Price Range Com. Stock High $	Price Range Com. Stock Low $	Current Price $	Current Yield on Com. %
Anglo-Can. Telephones	1940	...	nil	723,412	...	22,003	...	7.09	0.70	0.60	66,043	688,263	...	...	...	..
	1939	131,000	nil	691,627	...	11,824	...	7.15	0.73	0.60	88,081	520,728	...	...	...	..
Assoc. Tel. & Tel.	1941	...	...	681,551	...	...	1.17	0.47	...	nil	†2,282	226,153	...	...	...	..
*For nine mos. to Sept. 30. †Deficit.	1940	197,631	11,748,000	1,056,787	...	...	1.38	1.02	d0.90	nil	40,903	578,250	...	...	...	..
Avalon Telephone	1940	8,800	792,000	286,938	50,418	*13,090	2.63	2.82	1.79	1.75	336	32,759	...	...	...	..
*Provision for income tax.	1939	8,555	800,000	271,202	49,544	*8,616	2.60	2.79	1.76	1.75	78	7,623	...	...	...	..
Bell Tel. of Canada	1941	865,000	76,542,158	51,367,792	8,304,308	8,076,000	5.61	...	8.77	8.00	680,914	*668,576	160⅛	137	148	5.4
*Excess of curr. liab. over curr. assets.	1940	824,700	75,433,054	46,383,532	7,897,443	5,445,000	4.17	...	8.15	8.00	165,862	930,537	169	130	154½	..
B. C. Telephone	1941	143,807	14,000,000	6,573,767	1,058,559	680,076	2.44	73.21	8.93	8.00	42,102	970,018	...	...	...	..
*Deficit.	1940	133,766	12,500,000	6,087,332	998,846	627,081	2.24	65.95	7.32	8.00	*30,472	490,542	...	...	...	..
Canadian Marconi	1940	...	...	833,008	280,981	220,000	...	...	0.06	0.04	273,763	1,947,667	1.40	.65	...	..
	1939	...	...	504,896	166,948	45,000	...	...	0.05	...	233,030	1,866,920	1.85	.75	...	..
Eastern Townships Telephone	1940	Not avail.	nil	106,409	14,085	12,873	...	...	1.18	1.00	1,946	†67,932	...	...	...	..
†Excess of current liabilities over current assets.	1939	Not avail.	nil	100,843	13,854	4,625	...	...	1.53	0.72	8,586	†70,789	...	...	...	..
Farmers' Telephone	1940	Not avail.	nil	...	...	...	...	...	...	1.24½	...	...	...	...	...	..
	1939	Not avail.	nil	35,741	7,088	1,583	...	...	1.35	1.25	396	6,542	...	...	...	..
Maritime Tel. & Telephone	1941	51,434	4,500,000	2,726,382	377,921	652,869	3.58	3.16	0.93	.75+.10	54,615	1,010,437	16½	15	16½	..
	1940	46,618	3,500,000	2,331,694	358,554	454,033	3.64	2.91	0.86	.70+.10	25,242	203,437	17½	15	16¼	..
Montreal Telegraph	1941	...	nil	168,047	...	*62,000	...	...	...	‡1.96	†366	...	30	25	24½	..
*Inc. tax res. †Def. ‡After corp. inc. tax.	1940	...	nil	168,010	...	*35,000	...	...	...	‡2.50	†1,323	...	45	38	25	..
N. B. Telephone Co.	1941	37,230	...	1,894,616	313,020	224,712	...	...	0.63	0.50	79,740	*45,519	...	...	...	..
*Excess curr. liab. over curr. assets.	1940	34,109	nil	1,617,064	294,488	118,629	...	...	0.52	0.50	12,511	8,296	...	...	...	..
Northern Telephone	1940	13,506	145,500	521,615	71,707	*50,916	21.7	...	18.6c	10.0c	41,067	5,883	...	...	...	..
†Excess of curr. liab. over curr. assets. *Incl. tax adj.	1939	12,926	151,500	566,619	70,508	19,451	20.0	...	20.2c	10.0c	56,742	†35,124	...	...	...	..
Okanagan Telephone Co.	*1941	Not avail.	623,000	225,236	32,599	22,827	3.32	...	...	7.00	13,430	41,708	...	...	...	..
*Year ended June 30.	*1940	Not avail.	642,000	222,395	34,674	24,455	3.06	...	...	6.00	12,458	9,217	...	...	...	..
Quebec Telephone and Power	1941	Not avail.	364,500	231,063	44,367	...	...	...	0.33	nil	21,719	22,163	4	4	4	..
	1940	Not avail.	370,500	204,264	43,767	...	2.18	...	0.37	nil	19,245	19,190	4⅞	4	4	..

TRAMWAYS

TRAMWAYS	Year	Passengers Carried No.	Net Bonded Debt $	Gross Income $	Depreciation $	Taxes Paid $	Bond Interest Covered	Share Profits Pfd.	Share Profits Com.	Com. Dvd. $	Surplus After Charges $	Net Working Capital $	Price Range Common High	Price Range Common Low	Current Price $	Current Yield on Com. %
Brazilian Traction	1940	1,024,933,081	*30,111,127	†9,849,025	...	...	...	2.353	1.31	‡nil	9,238,328	25,812,454	10⅝	3¾	8¼	...
*Of subs. ‡40c paid Dec. 22, 1941.	1939	978,561,798	*30,746,681	†9,777,950	...	...	...	2.329	1.30	nil	9,143,577	20,852,097	12⅝	5⅞	...	...
Jamaica Public Service	1941	...	1,867,019	1,236,630	...	150,189	3.54	...	1.31	0.68	85,232	483,781	13	13	13	5.2
*On old stock. †New.	1940	5,395,920	1,895,245	1,103,074	...	112,592	3.12	...	1.13	0.68	61,067	488,062	†14¼	12	...	...
Mexico Tramways	1940	189,168,892	885,393	2,422,306	...	...	...	...	...	...	†328,395	593,943	...	...	...	...
*Loss.	1939	174,762,638	885,393	2,142,429	...	...	...	...	...	...	†549,984	572,317	...	...	...	...
Montreal Tramways	1941	263,571,788	‡45,047,400	...	...	...	...	...	...	†1.50	...	...	52	15	15	...
*Deficit. †Paid June, 1941, since def. ‡After reorg.	1940	225,764,051	47,605,000	14,363,415	700,000	...	1.40	...	4.75	6.00	*87,747	2,681,318	59½	39	...	...
Ottawa Electric Railway	1940	Not available	2,100,000	1,601,798	239,903	190,000	4.33	2.85	...	‡1.20+.30	47,469	419,013	16¾	7½	12	14.1
‡$1.20 paid in 4 install. of 30c. in 1940 from 1939 profits.	1939	Not available	2,240,000	1,357,194	235,761	32,200	2.75	3.54	...	‡	124,465	326,289	8½	4	...	...
Twin City Transit	1941	105,941,868	14,630,600	8,686,770	1,147,699	*945,085	1.52	7.91	0.12	nil	237,302	1,795,064	2	1	3	...
*Taxes assigned to oper. incl. fed. inc. tax.	1940	104,313,619	15,195,800	8,418,333	1,125,668	*854,190	1.27	3.72	d0.45	nil	111,583	1,689,423	2¾	1½	...	...

HOLDING COMPANIES

HOLDING COMPANIES	Year	Electricity M. Kw. h.	Gas M. Cu. Ft.	Bonded Debt $ 000's	Gross Income $	Depreciation $	Taxes Paid $	Bond Interest Covered $	Share Profits Pfd. $	Share Profits Com. $	Com. Dvd. $	Surplus After Charges $	Net Working Capital $	Price Range Common *High	Price Range Common Low	Current Price %
Foreign Power Securities	1941	...	...	1,728	17,849	...	...	0.10	d1.87	d3.15	nil	*93,354	...	.15	.15	.15
*Deficit.	1940	Not available		1,789	75,283	...	...	0.50	d1.14	d2.86	nil	*56,913	...	.20	.05	...
Hydro-Electric Securities	1940	Not available		nil	550,655	...	†63,852	...	0.72	0.10	0.20	*150,809	...	2⅝	2½	0.75
*Deficit. †Taxes and charges.	1939	Not available		nil	565,290	...	...	...	0.77	0.12	0.20	*116,641	...	4½	3	...
International Hydro-Electric	1940	...	...	266,420	71,005,527	6,452,431	13,593,998	1.30	0.97	§d0.42	nil	138,605	8,395,966	°5⅜	1⅝	°½
*Includes purchased power. °N.Y. §Class A.	1939	*5,870,001	...	269,011	68,737,134	6,472,543	11,637,374	1.27	8.43	§0.82	nil	1,200,770	3,748,151	°8¼	3¾	...
International Power	1940	Not available		10,940	5,985,108	*888,654	...	...	...	...	nil	403,915	181,962	6	2	2½
*And renewals.	1939	Not available		12,342	5,441,187	*938,977	...	...	...	...	nil	723,587	174,462	4¾	2	...
International Utilities	1940	Not available		*18,128	6,932,514	569,404	1,070,529	...	7.55	3.22	nil	379,056	4,392,255	°11¼	4¼	°3
*Of subsidiaries. °Class A.	1939	Not available		*20,099	7,088,823	642,617	874,761	...	6.81	2.39	nil	193,246	2,922,295	°10	5	...
Power Corporation	*1941	†2,719,458	2,487,168	9,696,500	1,607,506	‡1,200	48,772	2.76	16.68	0.52	0.30	99,938	...	6	2	3½
‡Furniture and fixt. Years end. * June 30; †Dec. 31.	*1940	†2,532,333	2,225,344	9,766,700	1,774,987	‡1,200	72,882	3.05	19.03	0.79	0.30	83,569	...	11¼	5⅜	...
United Securities	†1941	...	...	4,143	311,096	...	*2,058	1.22	...	1.05	nil	53,945	...	4¾	1	¾
†Year end. Mar. 31. *Inc. tax.	†1940	Not available		4,255	373,088	...	*20,000	1.42	...	1.72	nil	87,987	...	5¾	2½	4¾

Telephone Holding Units Hold Own

Some Properties Pass Into Enemy Hands But Position Remains Basically Sound

Telephone holding companies are of limited investment interest to Canadians since the trend of corporate financing in this country has been along the lines of direct investment.

Some of the larger companies, notably Bell Telephone Co. of Canada, hold a majority interest in other enterprises, but the Bell company is not a holding unit in the generally accepted sense of the term. Moreover, there is a direct investment interest in many of those companies which it controls, particularly New Brunswick Telephone Co.

Two companies whose securities are fairly widely held in Canada are Anglo-Canadian Telephone and Associated Telephone & Telegraph. Both of these companies have interests outside of North America and which have been affected by the developments of war. Their position is still basically sound, despite the loss of property in enemy-occupied territory.

From an investment angle, the principal problem of these units has been taxation. With rates for services of the operating units controlled and expenses generally higher, prospects of additional income through higher dividends are not overly promising. For the duration, therefore, it is not expected income of these companies will show any appreciable betterment.

Assoc. T. & T.

Associated Telephone & Telegraph Co.'s earnings are derived principally from interest and dividends on investments in telephone operating companies in Canada, Colombia, the Dominican Republic and the Philippines, and manufacturing concerns in the U. S., Canada and Belgium. There is a considerable Canadian interest in the company's shares, and bonds.

Principal investment of the company in Canada is B. C. Telephone Co., control of which is held through Anglo-Canadian Telephone Co. Canadian Telephone & Supplies Ltd. is a subsidiary sales organization of Associated and Philips Electrical Works is the equipment subsidiary in Canada.

War Creates Problems

The position of Associated Telephone has not undergone any improvement over the past year. Canadian properties continue to show very satisfactory returns, but the enemy occupation of Belgium and Manila cannot be regarded as other than weakening of the position. Exchange restrictions and currency depreciation have had an unfavorable effect on earnings. For example, the Colombian subsidiaries have not been permitted to remit any interest or dividend payments to the United States since the outbreak of war in Europe.

The effect of international developments on earning power is clearly reflected in the interim statement issued for the nine months ended September 30 last. Compared with the like period of the previous year, there was a deficit of about $3,000 after payment of the dividend on the first preferred and $6 preferred, as against a surplus of $18,579 the previous year.

Anglo-Canadian Tel.

Anglo-Canadian Telephone Co. is a holding company which, through its subsidiaries, owns telephone systems in British Columbia and the Dominican Republic and is interested in the Philippine Long Distance Telephone Co.

Principal investment is in British Columbia Telephone Co. Anglo-Canadian owns 44,979 ordinary shares of 45,000 shares outstanding. It also controls Dominion Directory Co., Northwest Telephone Co., Chilliwack Telephones Ltd., Kootenay Telephone Co., Mission Telephone Co., Canadian Telephone & Supply and Compania Dominicana de Telefonos.

These properties are flourishing, especially B. C. Telephone Co., which has experienced a very substantial increase in the volume of its traffic.

Within recent weeks the position of Anglo-Canadian Telephone has been directly affected by the Japanese occupation of Manila. Through Telephone Securities Ltd., Anglo-Canadian owns 22,519 shares of the capital stock of the Philippine Long Distance Telephone Co., or 35% of the outstanding issue. This investment must be regarded as lost for the time being.

It is not quite clear yet how Anglo-Canadian will be affected by the loss of this property. The company has paid regular dividends on both its preferred and Class A stock to date, and the loss of Philippine Long Distance Telephone Co. is not expected to have a bearing on Anglo-Canadian's dividend policy.

Telephone Secs.

Telephone Securities Ltd., subsidiary of Anglo-Canadian Telephone Co., is a "casualty" of the war.

This company holds 22,159 shares of capital stock of the Philippine Long Distance Telephone Co. With the occupation of Manila, control of the property has passed temporarily into the hands of the Japanese.

There is no longer any direct Canadian investment interest in Telephone Securities, but Canadians are indirectly interested through Anglo-Canadian Telephone Co.

Radio Phone Use Limited

Overseas radio telephone service is still available to South America, Central America, the West Indies, Australia, and Hawaii.

Circuits to Bermuda, Eire, Jamaica and the United Kingdom are restricted to Government—and, in certain cases, press—calls. Circuit to Newfoundland, which was cut off on the outbreak of the war was re-established a few months later.

For all practical purposes there is no commercial service at all to Europe, Iceland, Africa, or Asia, because service to most parts must go through belligerent countries. It is interesting to note service from Canada to Italy was available over the direct Rome-New York circuit until the day Mussolini declared war.

Toll Traffic Heavy

To provide for the large increase in domestic toll traffic which has resulted from activities arising out of the war, plans were prepared for considerable expansion of the long distance telephone plant. As might be expected, the greatest increases in traffic have occurred between the largest centres of population. Long haul Trans-Canada traffic has also been stimulated to a remarkable extent.

Although a considerable number of additional toll circuits were obtained in Canada during 1940 and 1941, a number of other major projects are under way to increase circuits between key cities. This applies particularly to Halifax, Montreal, Toronto, Ottawa and other points on the Trans-Canada system.

War Power Supply Boosted 550,000 h.p.

Quebec made available an additional 550,000 h.p. of electrical energy during 1941. New generating capacity totalled 275,000 h.p. Another 200,000 h.p. was freed through curtailing use of electrical energy for steam-raising purposes in the pulp and paper and textile industries. Another 50,000 h.p. was saved through re-adjustments as, for instance, continuation of daylight saving time through the winter months. Furthermore, increased storage capacity permitted greater output from better river regulation.

POWER WHERE NEEDED

Approximately 60% of the total available water resources and more than 80% of the developed water power in Canada, are located in the highly industrialized provinces of Ontario and Quebec, in which there are no known coal deposits.

$1,525 MILLIONS INVESTED

In Canada central electric stations, at the beginning of 1942 had a capital of $1,600 millions. Quebec led all other provinces, followed by Ontario and British Columbia.

Tramways Speed The War Worker

Work Hours Shuffled to Make Best Use of Key Equipment

With the employment of thousands upon thousands of additional workers in wartime plants and the general stimulation of business through greatly fattened payrolls, the tramways have again come into their own.

Tramway operations in the larger urban centres of Canada have reached a scale where continued and adequate service presents a problem, solution of which is vital to the nation's industrial war effort.

In Halifax, Saint John, Quebec City, Montreal, Winnipeg, Vancouver, Toronto, and other industrial centres, the volume of street railway traffic has grown abnormally fast. It has been necessary for operators to put every piece of equipment into service.

New equipment cannot be had readily. The metals and materials which go into the construction of a tram car are required for more urgent war purposes.

The seriousness of the problem of urban transport was apparent early last year and the government appointed a Transit Controller whose activities have been directed toward securing adoption of staggered working hours.

If this plan can generally be adopted it is believed that with the existing facilities the tramway systems have sufficient equipment to handle the present volume of traffic promptly and efficiently, and even a considerably greater volume.

Staggering of work hours will not eliminate the peak rush hours. All the plan will do is to lower the peak, so that greater use can be made of the available equipment.

Montreal Trams

Montreal Tramways Co. had to contend with two problems over the past year: Providing facilities to take care of the greatly increased volume of traffic, and carrying out a plan of reorganization because of the inability to refund the first mortgage bonds.

Traffic conditions in Montreal have shown a marked increase since the commencement of the war. In 1941 the Montreal system carried 263.6 million passengers, an increase of 15.75% over the previous year.

This was an abnormally large gain. It was not only necessary to employ every piece of rolling stock, but the company purchased a large number of second-hand cars which were renovated and put into operation.

Face Traffic Problem

While the company was able to handle the traffic offered over the past year, the situation is growing more involved. It is believed there is sufficient rolling stock to handle a larger volume of traffic, but that can only be done if hours of work are staggered. Under orders of the Transit Controller, office hours in a number of buildings have been staggered. In addition, the five principal departmental stores in Montreal plan to change their hours of business.

These measures are expected to reduce the peak load, but indications are that the plan of staggered hours will have to be considerably widened in order to maintain adequate transportation services within the Montreal metropolitan area.

Effect Reorganization

The anticipated plan of capital reorganization was carried out toward the end of 1941.

Briefly, the plan adopted provided for reduction of present first mortgage from $23.6 millions to $19.7 millions; extension of the maturity date of bonds for 10 years to July 1, 1951, under the same general terms and conditions, purchase of $720,000 of bonds for retirement, and establishment of an annual sinking fund of $700,000 commencing July 1, 1942.

In respect to the general mortgage bonds, security for the issue was modified by release from a lien and cancellation of $2,250,000 first mortgage bonds.

Affect Dividend Policy

As a result of the adoption of this plan, the company will not be in a position to pay dividends on its capital stock for some years to come. Funds which ordinarily would have been available for dividends will now be used for the sinking fund on the bonded debt. This is a serious blow to United Securities which controls the majority of the capital stock of Montreal Tramways.

No further developments have taken place in connection with the commission established by the provincial government to investigate the contract between the city and the Tramways Co.

Provincial Trans.

Provincial Transport Co., in which Montreal Tramways Co. owns a majority interest, has experienced full employment of all its equipment over the past year. Interurban services were extensively used in the conveyance of troops to and from training centres, servicing munitions plants, and in taking care of increased traffic generally. Urban traffic in Sherbrooke and Kingston has shown a large increase, as these cities have been very active industrially and both are military centres.

Travel restrictions have affected associated companies which maintain lines to New York and Boston. No income was derived by Provincial Transport from either line during the past year, and an acceptable arrangement has now been made to dispose of the Boston line.

To provide for the greatly increased volume of traffic, the company purchased 23 new buses in 1941, bringing the total fleet up to 227. Twelve new buses have been ordered for delivery in the early part of 1942.

Position of the company is somewhat uncertain under the new regulations governing the use of rubber tires and gasoline rationing. As a transport unit, Provincial Transport will have a high priority rating, but the problem which faces the management is whether or not these materials will be available when needed.

Capital expenditures were heavy in 1941. In addition to buses and other equipment, the company undertook construction of a new garage in Montreal at a cost of about $400,000.

A further sharp rise in traffic is in prospect this year and the ability to handle it will depend upon what treatment is accorded as an "essential service" under the government's tire and gasoline regulations.

Ottawa Electric

Operations of Ottawa Electric Railway continue on a record scale. The heavy influx of government workers to the capital has increased the volume of traffic to a point where it is difficult to provide normal service.

Substantial additions to equipment were made in 1940. Toward the end of that year five new buses were purchased and delivered, in addition to five received earlier in the year The company has been purchasing a large amount of essential equipment in anticipation of increasing difficulty in obtaining supplies.

Traffic carried each month continues to show a substantial gain over the preceding year, but higher expenses and the possibility of higher taxes may prevent this being reflected in net income. Indications are that returns for 1941 will make good reading for the shareholders, as on Jan. 2 last a bonus of 50 cents a share was paid. This was the second bonus paid since war started and was 20 cents a share more than paid in the first instance.

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Write to Industrial Manager

SOUTHERN CANADA POWER Company Limited

355 St. James St. W.
MONTREAL, P.Q.

"owned by those it serves"

Power Speeds Quebec

(Continued from page 18)

Aluminum Power

Aluminum Power Co. is a vital cog in the aluminum production plans of the United Nations. A wholly-owned subsidiary of Aluminum Co. of Canada, this operator, together with the Saguenay Power Co. and Shawinigan Water & Power Co., provides vast quantities of electrical energy necessary for the greatly increased smelting capacity at the Arvida works of the Aluminum Co. of Canada.

At the outbreak of war, Aluminum Power Co.'s plant at Chute-à-Caron had a capacity of approximately 300,000 h.p. As the needs of the parent company rapidly expanded, steps were taken to step-up production. Unfortunately water conditions at the Chute-à-Caron site were such that it was not possible to add greatly to capacity. However, the first step taken was to change the runners on the water wheels stepping the capacity of each unit up by some 7,000 h.p.

Provide More Water

In order to provide additional water, Aluminum Co. of Canada undertook construction of a storage dam on the Peribonka River, a short distance up stream. Other remedial works were started as a result of which it is anticipated the water supply at the Chute-à-Caron site will be greatly increased.

The steps taken, while helpful, have by no means met the power requirements of the Aluminum Co. of Canada.

Last year the Aluminum Co. of Canada undertook a further expansion of the Arvida works. Because of official secrecy no details have been made public as to what the additional capacity amounts to, but it is known that a greatly enlarged power supply is absolutely necessary.

With the supplementing of the water supply, the Aluminum Power Co. has undertaken to instal two additional units of well over 100,000 h.p.

To the end of supplementing such power, the Aluminum Power Co. has undertaken a plan of development for the Shipshaw site. This site is only a short distance from the Chute-à-Caron plant. Originally the Aluminum Co. had the idea of fully utilizing the flow of the river at this point which would permit an installation of one million h.p. As the power was not needed, it was decided to go ahead with the smaller development and keep the Shipshaw in reserve.

The plan of the Aluminum Power Co. provides for the construction of a power house on the Saguenay River near the mouth of the Shipshaw River. In addition the company is building a canal going from the Chute-à-Caron dam to the power house on the water course of the Upper Saguenay.

Spend $35 Millions

This project involves a capital outlay of better than $35 millions, a plant designed for an initial capacity of 500,000 h.p., and for an ultimate capacity of one million h.p. When the latter stage is reached the two units now being installed in the Chute-à-Caron plant will be transferred to the Shipshaw plant.

Arrangements between the company and the government, which is advancing the necessary capital funds, provide that upon completion of half of the presently planned installation —250,000 h.p.—the company can then review the situation. If conditions at the time are such that aluminum requirements can be met with the existing power installations, the balance of the power development may be deferred.

All for War Purposes

All the power from the new Shipshaw development will be used to produce aluminum to fill expanding war demands.

The new plant is being built on dry land at a point between the Saguenay and Shipshaw Rivers. The existing dam will allow for water diversion to the new plant, located just at the head of the tidal reach of the Saguenay, where there is an operating head of 208 ft. compared with 150 ft. at Chute-à-Caron.

Present plant installation for the new development calls for six units each producing 85,000 h.p.

These are, so far as is known, the largest generators in Canada and possibly in the world.

An essential part of the development is the building of the storage dam on the Peribonka. This storage is required to maintain the needed flow of water during the winter months.

Saguenay Power

Plant operations of the Saguenay Power Co., controlled by the Aluminum Co. of Canada, continue on a capacity basis. This operator, which ranks as one of the largest in Canada, is diverting by far the largest portion of its production to meet the needs of the Aluminum smelter at Arvida. A small amount of retail business is done through a subsidiary and other blocks of power are delivered to Consolidated Paper Corp. and Price Bros. & Co., but by far the greater part of the output is for aluminum.

In peacetime Saguenay Power delivered 100,000 h.p. to the Shawinigan Water & Power Co. at Quebec City. As far back as 1940 arrangements were made whereby the Saguenay Power Co. repurchased this power for delivery to the parent company, Aluminum Co. of Canada.

Build New Lines

In order to effect this arrangement it was necessary to build a new 220,000 volt line between Three Rivers and Quebec, to connect the Shawinigan and Saguenay systems. This was built by the Shawinigan Engineering Co. for the Aluminum Co. of Canada.

Since then two other transmission lines have been built to provide additional facilities for the Aluminum Co. A short line connects the Ile Maligne generating station with Arvida and another connects Chute-à-Caron generating station at the same point.

More for Parent Firm

It is now possible that before the close of this year a larger share of the output of the Saguenay Power will be made available to the parent concern. Expectations are the smelter expansion programme at Arvida will be completed some time before the new power plant at Shipshaw comes into operation. Consequently it will be necessary to secure power elsewhere.

Some productive facilities at the Ile Maligne plant will be further utilized as a result of the steps being taken by the parent company to erect storage dams to increase the flow of water. This will not only provide for greater equalization of output over the course of the year, but will make available a considerably larger amount of energy.

Beauharnois

Beauharnois Light, Heat & Power Co., controlled by Montreal Light, Heat & Power Cons., is one of the major Quebec power wholesalers. Its entire output is taken up under long-term contract by Ontario Hydro, Montreal Power, St. Lawrence Alloys and a few other customers.

During 1941 the company spent nearly $3.6 millions for equipment, further dredging and remedial works. Expenditure was financed to the extent of nearly $2.6 millions through first mortgage bonds, the balance from cash resources.

Two additional 50,000-h.p. 60-cycle generating units were put into operation. In order to bring the plant to its ultimate capacity of 650,000 h.p., there remains to be provided one 50,000-h.p. unit and additional dredging and remedial work estimated to cost $8 millions, financing of which remains to be arranged.

Step Up Deliveries

Beauharnois' deliveries to Ontario Hydro, under the long-term contract, were increased by 50,000 h.p. in 1941. Other contracts with wartime industries for 40,000 h.p. were made. At present power deliveries for use in wartime industries aggregate 127,000 h.p.

Early last year the Quebec Legislature passed a bill authorizing the government to purchase or expropriate the Beauharnois properties. Overtures have been made between representatives of the company and the government but at this time no definite action has been taken. It is possible the government may defer making a firm commitment, which would probably involve $100 millions, until after the war.

B.C.'s Telephone Total Hit New High Point at End of 1941

In 1941 the British Columbia Telephone Company and associated companies in B. C. had the greatest net gain in telephones in their history. The net growth for the year was 10,310 telephones, bringing the total at the end of the year to 148,429, an all-time high figure.

BRITISH COLUMBIA TELEPHONE CO.

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Eastern Light & Power Company, Limited

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New Waterford — Sydney Mines

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in Alberta **Gas**

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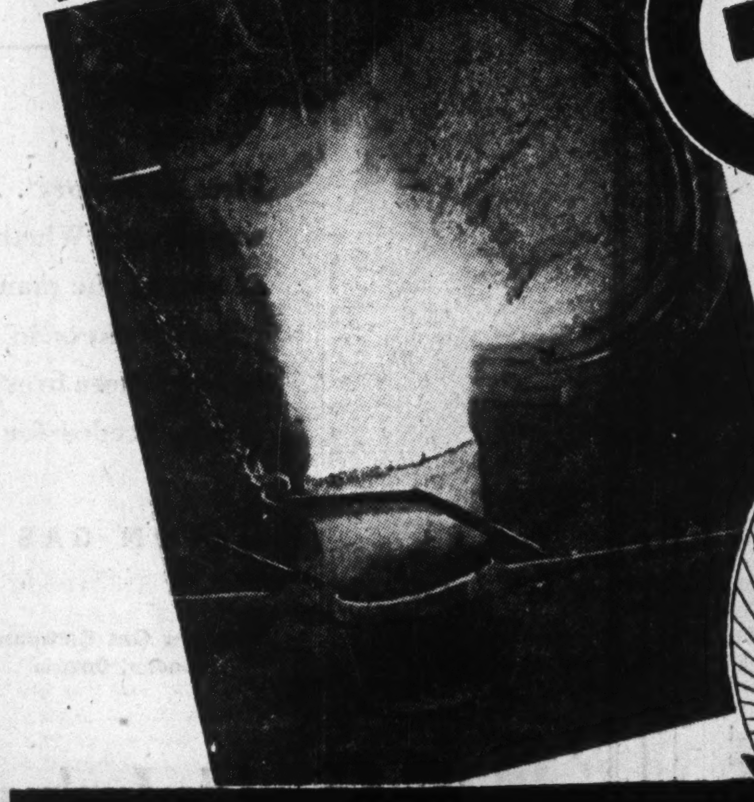

UNLIKE many industries, these two Western Utilities are fortunately able to continue serving the thousands of homes that comprised their Peacetime markets, while also meeting the demands of Canada's War Effort.

THE CANADIAN WESTERN NATURAL GAS, LIGHT, HEAT AND POWER CO. LTD.
HEAD OFFICE - CALGARY

NORTHWESTERN UTILITIES LTD.
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Gas Industry Meets War Challenge

Wide Changes Taking Place to Meet Heavily Increased Needs

To the Canadian gas industry war has brought a complete replacing of emphasis:

In peace-time demand for domestic purposes was king-pin, industrial requirements were well down on the priority list. Industry, particularly war industry, is now given front rank place.

To help supply war needs commercial gas-heating equipment in Southwestern Ontario is being removed from establishments where coal can be used.

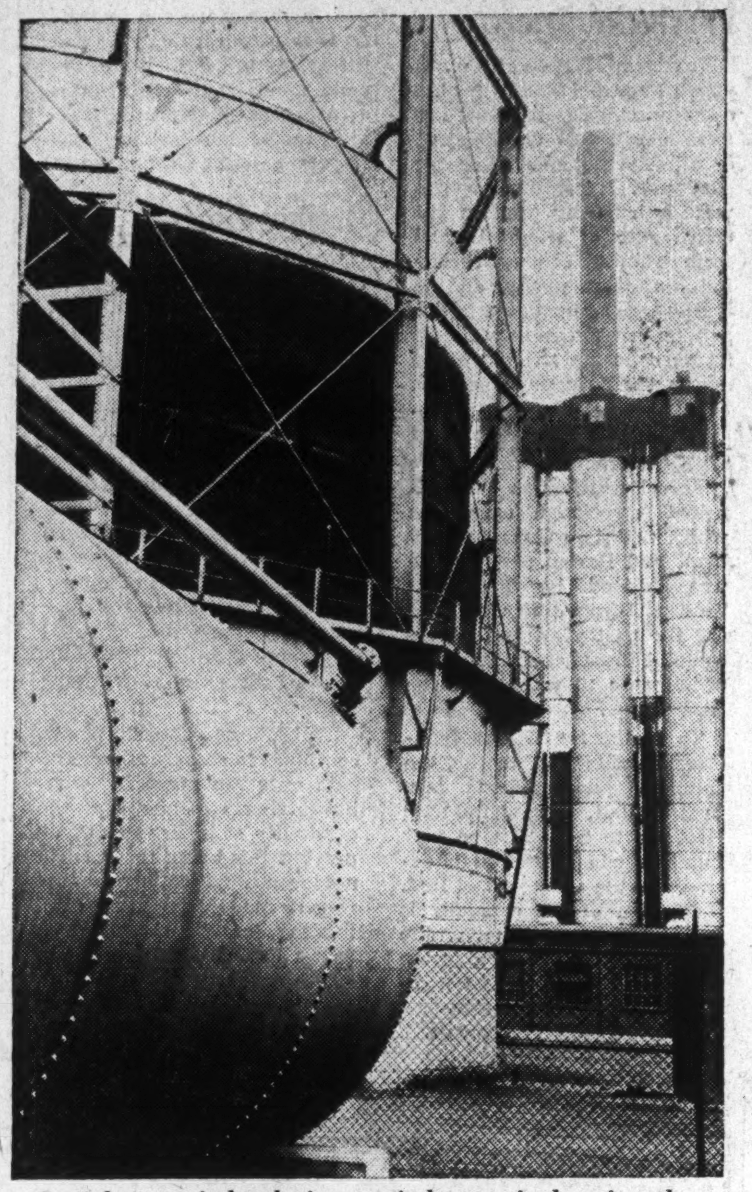
Domestic demand has continued to rise from 1940's peak levels. To help check this growth installation of all cooking or heating or other equipment which would draw gas from the natural gas companies in Southwestern Ontario is now prohibited.

Near-term possibility is removal of convertible domestic units to make more room for the wartime gas job of helping to produce rifles, machine guns, cartridges and shells, gun-sights, bomb-sights, field glasses, lenses, marine engines.

Natural gas companies have been helped this year by new propane plants in Brantford and Hamilton, a new $1 million still-gas plant at Sarnia scheduled for completion this fall.

Artificial gas companies have met similar booming demand but have been able in some cases to step in and help out where the natural gas supply has fallen short.

Still a worry to manufactured gas firms is the import of coal from the U. S., with prices therefor subject to changes in that country. The recent freight rate increase will tend to add to the burden of this import cost.



Gas plays a vital role in war industry; in keeping the Canadian social machinery going. War has brought this great industry a sharp change in emphasis away from domestic needs to do essential war jobs. To do the latter some of the former services may have to be reduced.

Union Gas

Operations of Union Gas Co., serving southwestern Ontario, has been adversely affected this winter by cold weather. At one stage this caused a week end shut down of some important war industries in Windsor; in London and Chatham war industries were carried on but non-war industries had to close during the week end while domestic consumers suffered somewhat from low pressure. A large part of domestic heating in this area is done through natural gas and when cold weather occurs this demand increases very sharply.

One step to help alleviate the situation has been an order by the Power Controller to Union Gas to remove gas heating equipment from all commercial establishments in western Ontario where coal may be used instead. War industries in this section are given priority to the extent that gas to civilian industries is to be cut off if weather conditions threaten reduction in the flow.

Another step to help the gas supply situation is the building of a million dollar plant at Sarnia by Union Gas to reform still or refinery gas which will be cleansed and stored away in partially depleted gas fields. In winter this gas will be piped out into the system's ordinary channels. It is expected that this will provide the company with an additional source of supply amounting to about two billion cubic feet of gas annually, equal to about 30 per cent of present output.

Union Gas shares control with Dominion Natural Gas of the United Fuel Investments organization which, in turn, controls the gas distributing system in Hamilton.

Montreal Coke

Montreal Coke & Manufacturing Co., jointly controlled by Montreal Light, Heat & Power Cons. and De Koppers Co., produced and sold 367,960 tons of coke during 1941. This figure included coke for metallurgical purposes.

In order to provide this tonnage and also gas for distribution in the system of Montreal Power, Montreal Coke used in 1941 nearly 541,961 tons of coal or 1,485 tons a day.

Both the gas and coke supplies in the greater Montreal area are supplied by Montreal Coke. All of Montreal Power's gas requirements being now secured from the company. Last year the demand amounted to over 5 million cu. ft.

While primarily engaged in the manufacture of gas and coke, Montreal Coke also has an important production of several by-products. It has an annual plant capacity of 3.5 million gallons of tar, 10 million lb. of ammonium sulphate and 1¼ million gals. of benzol derivatives. The latter products are important war materials for which a ready market exists for all that can be produced.

There is no longer any direct public investment interest in this enterprise, the original public issue of bonds having been retired and replaced with an issue which is privately held.

United Fuel

Increased industrial activity continues to have an important effect on earnings of United Fuel Investments Ltd. The gas distributing companies of the organization are earning the major part of the increased profit, due mainly to an increased volume of gas sold for industrial purposes at a higher average selling price. Higher operating expenses, however, have partially offset this. There has also been a gain in the number of active meters on the company's lines.

United Fuel is a holding company controlled by Union Gas and Dominion Natural Gas. Its subsidiaries are engaged in the distribution and sale of gas for industrial and household use along with the manufacture of coke, gas, etc. The organization supplies gas to the City of Hamilton and a number of municipalities in the same area including Burlington, Burlington Beach, Bronte and others.

The company's supply of natural gas is obtained from the Haldimand field while its artificial gas is drawn from subsidiary Hamilton By-Products Coke Ovens Ltd. Through the latter company an important marketing of coke is carried on.

Dominion Gas

Dominion Gas & Electric Co. is a holding concern which, through subsidiaries, supplies electric power and light, natural gas and water to 120 communities with an estimated population of over 255,000 in Alberta and Saskatchewan.

The company is controlled by International Utilities Corp. which owns all the preferred and practically all of the common stock.

Public interest in this company lies in its 6½% collateral trust bonds, due July 1, 1945, which are secured by shares of its subsidiaries. Interest requirements on these 6½% bonds have always been earned and paid.

Indications are that demand for the services provided by the subsidiaries continues to grow. There was a moderate increase in consolidated operating revenues for the 12 months ended Sept. 30, 1941. This was more than nulified, however, by increased taxes and other expenses with the result that net profit for that 12 months' period was $228,210 as compared with $259,906 for the 12 months ended Sept. 30, 1940. 1940 net profit, in turn, was below that for 1939.

Consumers' Gas

Toronto and surrounding municipalities are served with manufactured gas by the Consumers' Gas Co. of Toronto under a provincial franchise which is without a time limit.

Operations have responded to war stimulation with gross sales and net earnings up in the year ended Sept. 30, 1941, over the previous year. It is stated that the first four months of the present year showed an increase in gas sales of 9.5% with greatest gains for industrial purposes. Prospects are said to be good for even greater gains in coming months.

The company secures its supply of coal by direct water shipment during the summer months. Higher costs for coal and other expenses have been a factor in holding back gain in profits.

Consumers' Gas Co. has established a record for long-term dividend payments which has now reached 95 years. Currently the company is paying 8%. This is a reduction from the former regular rate of 10% effected April 1, 1941, after the 10% rate had been paid from 1874. The charter contains a provision that dividends cannot exceed 10% per anum and that price of gas may be increased sufficiently to yield revenues adequate to replace the reserve fund which may be called upon to pay the regular 10% dividend.

Can. Western

Natural gas is distributed for domestic and industrial purposes in Calgary and Lethbridge, Alta., and adjacent communities, by Canadian Western Natural Gas, Light, Heat and Power Co. A large part of the company's product is sold for heating purposes. Establishment in the Southern part of Alberta of various war industries gives capacity operation of the company's gas transmission system during the current winter.

Canadian Western Natural Gas is controlled by Dominion Gas & Electric Co. which in turn is controlled by International Utilities Corp. Over 95% of the common stock of Canadian Western is owned by Dominion Gas. Public interest is largely confined to the $2.6 millions of 6% preference stock.

Dividends have been paid regularly on this preference stock since it was issued in 1924. The company has no funded debt.

Principal source of natural gas is the Turner Valley field

(Continued on page 29)

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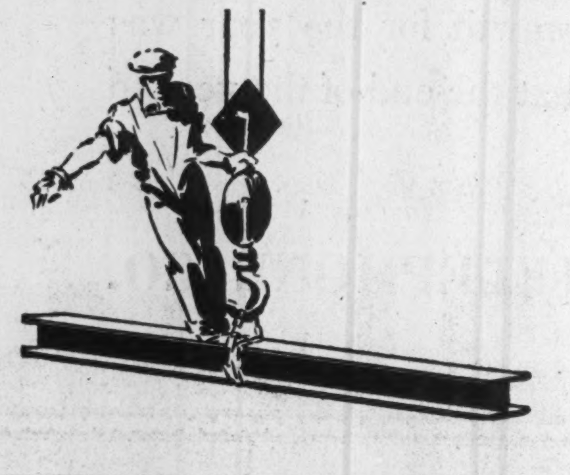

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GAS aids Industry to forge the Tools of Victory

Quebec 'Retailers' Set Record Pace

Consumer Power Use Steps Up in Tune With Industry

Electrical utility operations in Quebec fall into two distinct categories—wholesale and retail. With the exception of two or three relatively unimportant sections, retail services in the province are provided by four large operators: Montreal Light, Heat and Power Consol., Shawinigan Water & Power Co., Quebec Power Co.; and Southern Canada Power Co.

Retail electrical operations in Quebec have expanded sharply since the war started. There has been a gain in number of customers served—influenced by extension of distribution lines. Average consumption per customer also has shown an advance, but is still substantially below that reported in Ontario or Manitoba.

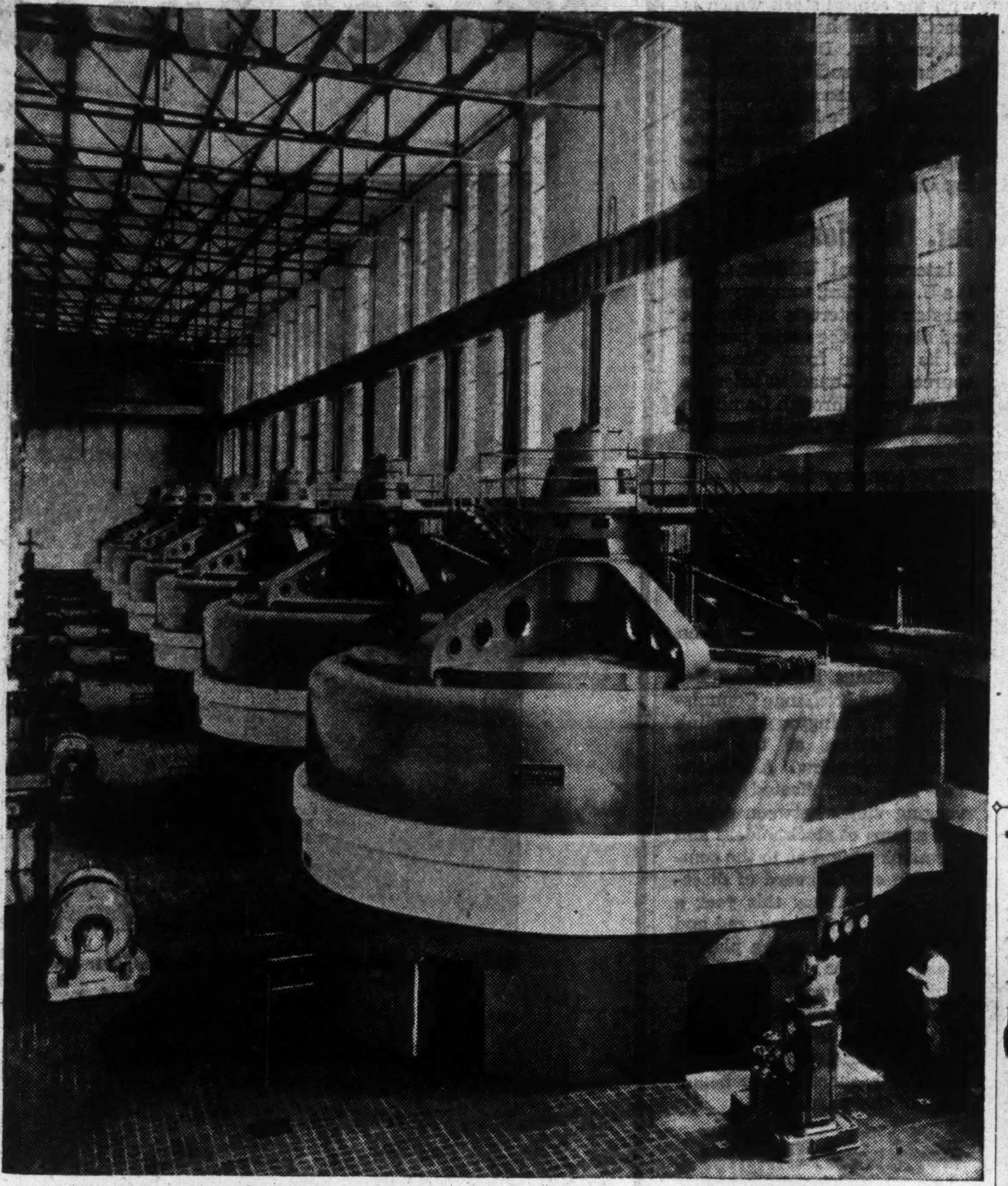
Last year domestic power sales in Quebec reached the record figure of 309 million kw.h. This contrasted with 291 million kw.h. the year before. Commercial sales advanced from 287 millions to 310 million kw.h. in 1941.

Translated into dollars the increased volume of domestic business gave the Quebec operators an income of nearly $9.1 millions, compared with $8.7 millions the year before.

Income from commercial operations moved up from $7.7 millions to $8.2 millions.

In both domestic and commercial business volume of sales and dollar revenue for last year were the highest on record.

Prospects for a continued increase in retail sales are somewhat obscure. The market is expected to expand appreciably but restrictions on use of materials and the need of power for war industries may tend to limit or curtail the growth which otherwise would be expected.



Vast though it is, Canada's capacity to generate electrical energy is fast becoming too small for the gigantic demands of wartime production. To make the supply go round, grid systems have been developed in Ontario and Quebec, making it possible to pipe power from one plant to any consumer in the grid area. Ultimately non-essential consumption, such as for store windows may have to go.

Montreal Power

Montreal Light Heat & Power Cons. is the largest privately-owned utility in Canada. It is the largest, not from the point of view of the installed capacity of its power plant, power or gas sales, but from the volume of retail sales. Other privately-owned companies like Saguenay Power or Shawinigan Water and Power Co. outrank Montreal Power in production.

Operations centre on the Island of Montreal and the south shore of the St. Lawrence, but more particularly in the greater Montreal metropolitan area, the most densely populated section in the Dominion. Its operating returns are in part indicative of the general improvement which has been experienced by the utility industry over the past year. But it must be remembered that the Montreal area reflects in large measure the national war effort and its experience to date has been above average.

Expansion in Operations

Each month over the past year the company reported larger power sales than for the like month of the preceding year. For all of 1941 power output totalled over 3.3 billion kw.h., an increase of roughly 10% over 1940.

In the field of gas operations, Montreal Power reports a moderate improvement in output, last year's production being over 5 billion cu. ft.

The improvement in gas sales has not been so marked as in the case of power.

Has Extensive Properties

As now constituted, Montreal Power owns hydro-electric generating stations at Lachine Rapids, Cedars Rapids and Soulanges on the St. Lawrence River; Chambly on the Richelieu River; a steam auxiliary plant at Ville Lasalle near Montreal, and, through ownership of the majority of the stock of Beauharnois Light Heat & Power Co. and Montreal Island Power Co., controls the entire output of hydro-electric generating stations at Beauharnois on the St. Lawrence River and at St. Vincent de Paul on the Back River. The aggregate capacity of all these plants is nearly 900,000 h.p.

The company also owns gas-manufacturing properties and controls, with the DeKopper Co., a by-product coke plant, located at Ville Lasalle, near Montreal, operated by Montreal Coke & Mfg. Co. The company also controls all the power transmitted to Montreal by Shawinigan Water & Power Co. and the two companies jointly control United Securities, which in turn controls Montreal Tramways Co., Canadian Light & Power Co., and other subsidiaries.

In respect to plant capacity, both power and gas, Montreal Power is in a position to meet a further rise in demand. In neither case is the surplus capacity overly large, but provided demands are moderate, there should be no difficulty in coping with the power and gas situation so far as the Montreal area is concerned.

Influences on Outlook

Two or three developments have taken place over the past year which have a bearing on the future of the company. The first and most important was the adoption of legislation by the Province of Quebec, looking to the expropriation of the Beauharnois property. While Beauharnois is not an important revenue - producer for Montreal Power, it is a vitally important item in the present and future power supply.

While Montreal Power is not in a position to oppose expropriation, it has indicated willingness to turn the property over to the government at what it considers a fair and equitable price. Preliminary negotiations have been conducted. Indications are that at this stage and considering the war, it is possible the government may defer action.

Under the terms of the contract between Montreal Power and Beauharnois, the former is assured of large supply of low cost power for many years to come. In the event the property is expropriated, it is assumed that the government will honor the contract. Though the company is satisfactorily protected in so far as power supply is concerned, the taking over of Beauharnois by the government might lead to further extension of public ownership which, in the long run, might work against the interests of Montreal Power.

Survey of Property

For nearly two years the Public Service Board of Quebec has been undertaking a physical inventory of Montreal Power's property. That work has been completed. All that remains is to determine the value of the corporation and property before deciding the matter of rates to be charged in the city of Montreal.

The completion of the survey does not necessarily mean rates will be lowered, but this is a possibility which must be kept in mind in considering the outlook.

New Montreal Contract

Along these lines the Public Service Board authorized a new contract with the city of Montreal, whereby the city secures a reduction of some $300,000 a year in its electricity bill. On the other hand, this reduction is offset by the elimination of $350,000 which the company pays to the city in special taxes.

On the surface it would appear the city would lose $50,000 annually by the new agreement and the company gain a corresponding amount. But there are other factors that make the new agreement more favorable to the city than it appears, and it is possible that in the revision of the tariffs, the saving to the city will exceed the anticipated $300,000.

Strengthen Finances

Financially, the company undertook further steps during the past year to improve its position. The principal move was to arrange for the conversion of some $8 millions of the 3% convertible note certificates into long term 3½% first mortgage bonds. In view of war conditions and the possible difficulty in refunding the notes when they mature in 1944, the company decided that it would be expedient to arrange to put the note issue on a long term basis rather than risk an unnecessarily sharp depletion in cash position in the event conditions in 1944 would not permit of a refunding operation.

Southern Can. Power

Southern Canada Power Co., affiliated with Power Corp. of Canada, provides electrical utility services over the greater part of the Eastern Townships, one of the most highly industrialized areas in Quebec.

Over a period of many years this company has done an excellent job in promoting establishment of new plants within its territory. The power load has increased substantially, and there has been a healthy gain in the domestic load consequent upon the greater volume of employment.

The closing quarter of 1941 saw a record demand made on the facilities of the company. It is stated all demands can be handled without any power shortage. However, it has been necessary to purchase power for re-sale, a factor which contributed toward holding down net earnings.

Lack of rain was particularly noticeable in the summer months. This condition was corrected in October and November and the company entered the winter with storage as full as this time last year.

Merchandising activities have been "very satisfactory" during the past few months. In spite of increased difficulties in obtaining merchandise for sale to customers, the company claims to have ample supplies of most items on hand for the immediate future.

The outlook is slightly obscure because some plants in the company's territory may not be able to secure materials. Where the finished product is regarded as essential, production will be maintained. Industries in the territory do not appear to be faced with more than ordinary difficulties in regard to supplies and on balance, it is not likely there will be any material change in the power load.

Quebec Power

Quebec Power Co. supplies the second largest urban area in Quebec. It provides power and light services, gas and urban transportation.

This company, controlled by Shawinigan Water & Power Co., operated on a record basis over the past year.

War industries and military camps have greatly added to the general betterment of business in the Quebec City area. As a result there was record activity in all branches of the company operations last year.

Quebec Power now serves over 57,000 customers and 96

(Continued on page 29)

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Prairie Power Sales Soar

Industry and Armed Forces Steadily Increase Demands

Wartime conditions have affected the power utilities of Manitoba, Saskatchewan and Alberta, less than in other economic areas of the Dominion.

Primarily an agricultural area, the prairies have not been in a position to share in industrial war work to the same extent as in the East or in British Columbia. Nevertheless much business has been given to manufacturers in such industrial centres as Winnipeg, Regina, Moose Jaw, Saskatoon, Edmonton and Calgary.

An important new demand comes from the dozens of air training schools established on the prairies, all new customers for power.

This, together with a general strengthening in the market price for agricultural products; greater industrial employment, has brought increased demands for utility services, especially in the power field.

Last year the three Prairie Provinces reported a power consumption of 2,456 million kw.h. This contrasted with 2.2 million kw.h. the year before, an increase of more than average proportions.

Power utility services in Manitoba are provided largely by Winnipeg Electric Co., serving many of the larger industries as well as a large proportion of the population in Manitoba. In Saskatchewan, National Light & Power Co., Prairie Power Co., and Dominion Electric Power are the three principal privately-owned power operators. In Alberta, the Calgary Power Co. is the dominant operator in the field.

Winnipeg Electric

Winnipeg Electric Co., which provides a full utility service to Winnipeg experienced in 1941 a steady improvement in gross earnings, part of which has been translated into net profits.

As a railway and distributing centre for the West, Winnipeg's welfare is very much dependent upon a prosperous economy throughout the prairie provinces. Wartime price and marketing controls, the cutting off of valuable foreign markets, and the large wheat carryover are factors which have tended to hold down recovery. At the same time war activity has brought an increasing measure of activity to Winnipeg and area. The result has been an appreciable pick-up in the utility operations of Winnipeg Electric.

On Better Scale

In 1940-41, the company's light and power division was affected by a shortage of water. Water conditions have been more normal over the past year as indicated by the steady increase in production.

The gas division reports a betterment in demand, while the tramway system has recorded an appreciable pick up in traffic. Negotiations with the city of Winnipeg for a new transportation franchise within the city have not yet been concluded.

The financial statement for the past year is expected to show an increase in gross revenues. Higher operating expenses and taxes may have absorbed most of the gain, but in view of the restricted returns in 1940 because of water shortage, the net showing for the past year should be somewhat better. This is indicated in part by the recent action of the directors in declaring payment of interest on the general mortgage bonds.

Calgary Power

Calgary Power Co. is by far the most important utility operator in Alberta. Its name is somewhat of a misnomer since interests extend far beyond the province. Through the Prairie Power Co., a wholly-owned subsidiary, the company serves a number of communities in Saskatchewan. In addition it has a substantial financial interest in the important hydro-electric plant on the Ottawa River owned by the Ottawa Valley Power Co.

In so far as its own operations are concerned, Calgary Power has reported a steady expansion from year to year. Its hydro-electric plants on the Bow and Ghost Rivers have been expanded from time to time to meet additional demands, and earnings have kept pace.

Only major set-back which the company has experienced occurred a few years ago when Ontario Hydro cancelled its power contract with Ottawa Valley. In order to cover its investment in Ottawa Valley Power, Calgary Power issued additional stock. When Ottawa Valley was forced to forego dividends, Calgary Power had to eliminate the dividend on its own common stock.

Aid War Industries

War has had a direct bearing on operations. Several larger sized industries within the Calgary area are fully employed on war contracts. Power sales have increased, while the additional employment provided has had a very favorable effect upon the domestic power load.

At present the company is engaged in constructing a 23,000 h.p. plant at Lake Minnewanka, the energy from which will be used in the new chemical plant established by the Dominion Government in the Calgary area. Cost of this project, including additions to transmission facilities and other improvements will be approximately $3 millions.

Contractual relations between the company and the cities of Calgary and Edmonton are on a satisfactory basis. An exchange of power agreement was made with Edmonton which assures both parties of an improved power supply.

The arrangement with the City of Calgary, which took over the domestic distribution system a few years ago, assures the company of an equitable tax arrangement.

Churchill River

Churchill River Power Co., wholly owned subsidiary of Hudson Bay Mining & Smelting Co., develops power through a hydro-electric plant on the Churchill River. Generating capacity is about 90,000 h.p. The town of Flin Flon is supplied with power by the wholly-owned subsidiary, Northern Manitoba Power Co. Power is supplied to the Hudson Bay Mining & Smelting Co. operations as well as to other mining companies in the district.

National Light

National Light and Power Co. owns and operates the electric light and power system of Moose Jaw, Sask. Also sells electricity at wholesale to Saskatchewan Power Commission and the Prairie Power Co., for distribution at retail in neighboring villages and rural territory to the east and to the Power Commission of Saskatchewan for distribution in surrounding territory. The City of Moose Jaw purchases its entire energy requirements for water pumping from the company at regular schedule rates.

Latest earnings available for the eight months period ended Aug. 31, 1941, shows operating earnings at $451,485 compared with $405,197 in the corresponding period of the previous year. Earnings available for bond interest and their depreciation and other charges in the eight months period totalled $183,952 against $166,797 in the first eight months of 1940. This represents a coverage of first mortgage bond interest requirements of 2.68 times before depreciation and 1.99 times after depreciation as compared with 2.44 and 1.78 times respectively in the same period of 1940. Electrical output in the eight months amounted to 26 million kw.h. against 21.7 million kw.h. in the eight months of 1940.

Dom. Electric

Dominion Electric Power Ltd. is controlled by Washington Gas and Electric Co. and furnishes electricity to a total of 6,400 customers in 48 communities in western provinces, of which 42 are in Saskatchewan. The company has 18 plants with a total capacity of over 7,000 killowatts.

Steady progress has been shown in operations although the area served is not highly industrialized. Net earnings in 1940 before depreciation and income taxes amounted to $258,386 an increase of about $26,000 over 1939 and some $54,000 up from 1938. Along with the capital stock which is practically all held by the parent company, Dominion Electric has outstanding $756,500 in 5½% first mortgage sinking fund bonds due March 1, 1955, secured by specific first mortgage on properties and a floating charge on all other assets.

Int. Utilities

International Utilities Corp. is a U. S. holding company with substantial interests in Canada and deriving the major portion of its income from Canadian sources. Its Canadian interests are operated through Dominion Gas & Electric Co. in western Canada.

The company has been subjected to considerable pressure from U. S. authorities to simplify its setup and perhaps wind up the holding company. It has also been faced with internal difficulties and changes in directors and officials have been frequent.

Proceedings before the Securities and Exchange Commission at Washington regarding recapitalization of the company are pending. A solution has been complicated by diverging views between different groups of stockholders and the management as to the composition of the board of directors. In February this year a new board was announced and it is hoped to hasten a plan of recapitalization, the need for which is clearly apparent. There are arrears of dividends, for example, on the company's class A stock which totalled $35.87½ a share at the beginning of this year.

Northwest. Utilities

Northwestern Utilities, Ltd., is a subsidiary of Dominion Gas & Electric Co. supplying natural gas to the city of Edmonton and adjacent communities. A steady increase in gas sales and net revenue has been shown each year since 1934.

Last year a construction programme costing about $2.4 millions was started, to be financed by a sale of bonds and preferred stock. Changing conditions due to the war after this programme was planned compelled modifications. Last year about $371,000 was spent on some new gas wells and laying new supply lines. It was financed by issuance of shares and the rest of the programme appears indefinitely held up.

Canadian Utilities

Canadian Utilities Ltd., a subsidiary of Dominion Gas & Electric Co., operates an electrical power system in Alberta and Saskatchewan. Sales and number of customers served have increased steadily since 1933. The company did not suffer greatly from drought conditions in Saskatchewan as its principal properties were not in the area most seriously affected.

Public interest in this company lies in its 5% bonds of which $2.6 millions were outstanding at the end of 1940.

That year sales of electric power totalled 24.6 million kw.h., compared with 22.7 million kw.h. in 1939. Number of customers increased from 17,433 to 17,976.

Restrict Purchase Electrical Goods

Sales of refrigerators and other electrical appliances tobogganed downward in the closing months of last year. However, for all of 1941 Canadians purchased 57,400 refrigerator units, compared with 61,912 units the year before.

With restrictions on purchases and lack of materials, sales for the current year probably will be the lowest reported in more than a decade. The same trend is expected for other electrical appliances which, until recently, have been bought in increasing numbers by Canadians.

War Speeds Up Distance Calls

Over 91 out of every 100 long distance calls handled on the Bell Telephone Co. of Canada's system in Ontario and Quebec during 1941 were handled while the customer remained at the telephone. The average time required to establish long distance connection was 89 seconds compared with 87 seconds in 1940.

The company reports 92.5% of all toll calls were completed as compared with 93.1 in 1940.

Supplying Service To 43 Communities

•

Serving a Population of 50,000

•

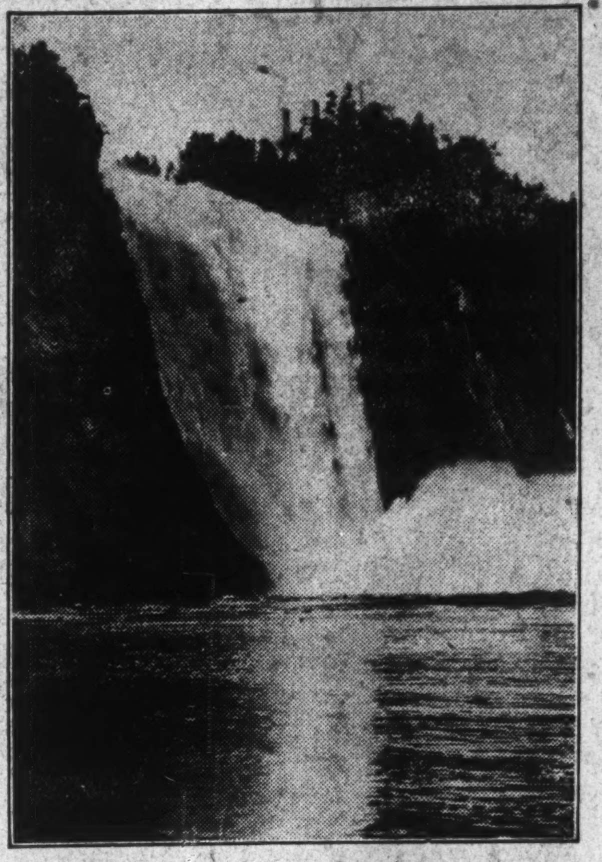
The Lower St. Lawrence Power Co. serves the south shores of the St. Lawrence River from Riviere-du-Loup to Matane, the Temiscouata district and the Matapedia Valley. Power available 9600 H.P. First class service available to all points of the territory through a 66 Kv. and a 33 Kv. transmission system.

The principal towns served are Rimouski, Matane, Mont-Joli, Trois-Pistoles and Amqui.

Rimouski, with its harbour accommodating ocean going steamers is the point of connection for Baie Comeau and other points on the North Shore.

LOWER ST. LAWRENCE POWER COMPANY
RIMOUSKI, P.Q.

Power Speeds Production



Montmorency Falls, Quebec—owned by Quebec Power Company.

To equip the armed forces of the United Nations with the preponderance of weapons and equipment needed to defeat the Axis powers, maximum production is necessary in the Canadian factories.

Electric power is the source of Canada's industrial strength and the water falls of the Province of Quebec are playing a vital role in the nation's war effort.

For more than half a century this company and its subsidiary and associated enterprises have supplied electric power, gas, and transportation in the Ancient City of Quebec, and the surrounding territory. To-day these services are all actively engaged in stepping up the production of vital war materials.

BUY WAR SAVINGS CERTIFICATES AND HASTEN VICTORY

QUEBEC POWER COMPANY
Power Building, Quebec

Plenty of Power

There is no lack of electric power for war industries at Vancouver. Gas is also playing a major part in coast shipbuilding and other plants with ample capacity still available. Correspondence is invited. Write W. G. Murrin, President, Vancouver, B.C.

BRITISH COLUMBIA ELECTRIC RAILWAY COMPANY, LTD.
BRITISH COLUMBIA POWER CORPORATION, LTD.

Trans-Canada Traffic Soars

Toll Calls Gain 65% on Year—400% in Ten Years

Ten years old on January 25, this year, the Trans-Canada Telephone System is playing an important role in Canada's war effort.

More calls have passed over the Trans-Canada wire channels in the past three years than in the previous seven. Between 1939 and 1941 inclusive, 408,000 calls were completed as compared with 389,000 between 1932 and 1938. In 1932, when the circuits were placed in service, 41,000 calls were completed. Largely because of the war the annual total has risen from 76,000 in 1938 to 87,000 in 1939, 121,000 in 1940, and 200,000 in 1941.

The first transcontinental telephone line was opened for public use in 1915 between New York and San Francisco, and became available to Canadians in 1920. Such service was not provided over all-Canadian lines until January 25, 1932, when Lord Bessborough, then Governor-General, inaugurated the Trans-Canada Telephone System. That was just ten years ago.

Comprises Seven Units

This system is made up of the seven major telephone organizations in Canada: the Maritime Telegraph and Telephone Co., operating in Nova Scotia and Prince Edward Island; New Brunswick Telephone Co.; The Bell Telephone Co. of Canada, operating in Ontario and Quebec; the Manitoba Telephone System; Saskatchewan Government Telephones; Alberta Government Telephones and the British Columbia Telephone Co.

Each of these separate systems constructed and now maintains the Trans-Canada facilities required in its own territory, and thus bore its share of the original cost, estimated at $5,000,000.

To boost the voice currents at intervals as they wearied on their 4,200-mile journey from Halifax to Vancouver, repeater stations were established at more than 20 points along the line. It is estimated that the original current is amplified about one trigintillion times—or whatever the figure "one" followed by 75 zeroes is called!

Add to Circuits

Originally, seven voice channels were placed in service: the longest between Vancouver and Winnipeg, 1,744 miles in length; three from Calgary to Winnipeg; one from Winnipeg to Montreal; and two from Montreal to Halifax.

Trans-Canada circuits proper, usually stretch across the territory of three or more of the seven systems; in addition, there are the circuits between adjacent provinces, which can be connected together to provide more Trans-Canada circuits as required.

Among the long direct voice channels added to the system since its inception are the Toronto-Calgary circuit, 2,200 miles in length, opened in 1937, and the Toronto-Vancouver circuit, 3,000 miles, opened in 1940. The latter is the longest direct circuit in the British Empire. With the direct circuit between Halifax and Toronto placed in service in 1941, it permits connections to be established from Halifax to Vancouver by means of a single switch—at Toronto.

During 1941 other shorter circuits were added which provided three more channels from coast to coast. To assist the government's control of the war effort in the Maritimes and the Prairies, direct circuits were placed in service between Ottawa and Halifax and between Ottawa and Winnipeg.

More This Year

This year a $1.5 million project is being completed to provide additional facilities between Ontario and Quebec and the Maritimes. A new long distance cable has been erected between Montreal and St. Pie, Que., a village about 30 miles south of the metropolis, where a new repeater station is being opened this fall. Wire lines will lead from St. Pie to Quebec City and thence via Riviere du Loup to the New Brunswick border.

Plans also are being made for a new $6 millions long distance cable from Montreal to Ottawa and Toronto. It is not expected that this cable will be ready for service before 1944.

Typical of Canada's highly developed water power resources is the big hydro plant above. Building of these plants in past years was largely responsible for the vast development of Canada's construction and equipment industries, financing them has helped build up the investment framework of the Dominion. The power developed is turning the wheels of Canada's war plants, the construction industry is building them, and the investment business has now turned its energies to the flotation of Victory Loans.

CHIEF TRAMWAY CENTRES

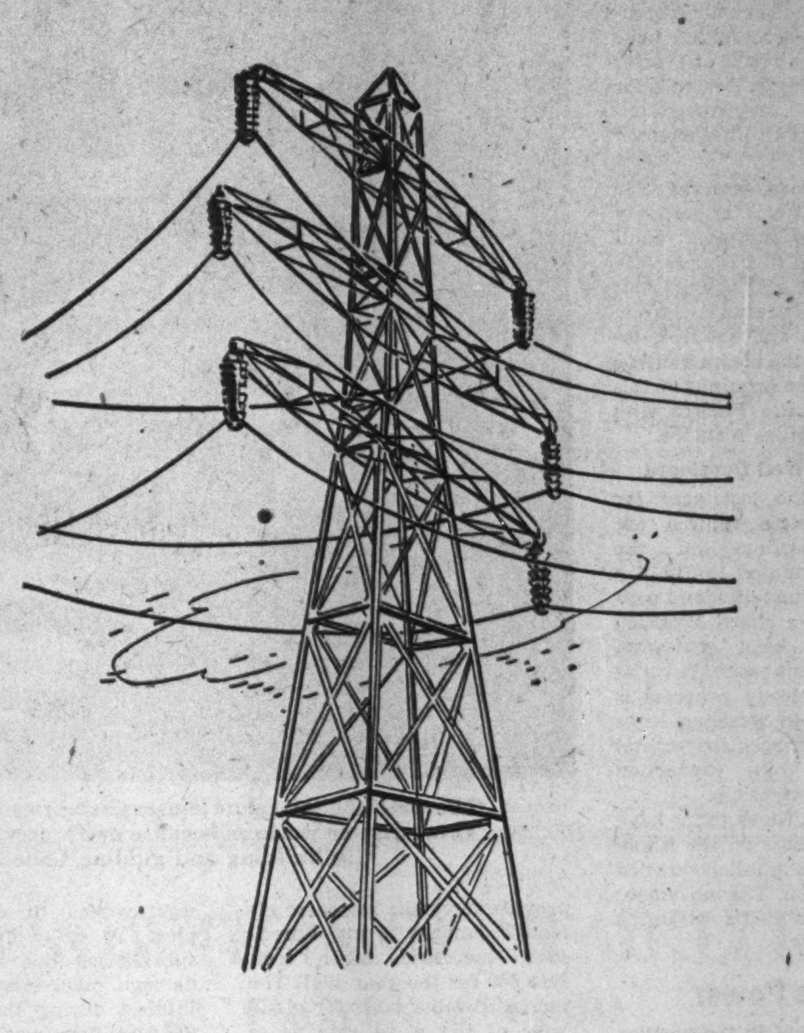
The Montreal System carried almost one third and the Toronto system a quarter of the total passengers carried by all electric railways in Canada. The nine largest systems accounted for 87.7% of the total.

RADIO AND DEFENSE

Wireless communications are a vital part of defense. In the Battle of Britain radio messages from coastal outposts have allowed British fighter squadrons to locate enemy raiders long before they are able to reach their objective.

POWER—ON ITS WAY TO WORK!

Helping to Forge the Tools of Total War!



GATINEAU POWER COMPANY

Ottawa Canada

"Retailers"

(Continued from page 27)

municipalities, an increase in the year of four municipalities and 2,139 customers.

During 1941 the company acquired a distribution system of nearly 23 miles which supplies light and power to rural communities in Bellechasse and Montmagny Counties. Acquisition of this system completes the inter-connection of the lines between Levis and Rivière du Loup.

Output of the gas division has greatly increased during the past year due to industrial demand. Total sales were 395 million cu. ft., an increase of 21% over 1940. Gas customers at the end of 1941 totalled 10,683, as against 10,558 at the close of the previous year.

Tramways and buses carried more passengers during 1941 than any other year on record.

The condition which combined to bring about these exceptionally high operating results last year are expected to continue for the duration.

Lower St. Lawrence

Electric light and power services in the lower St. Lawrence section of Quebec Province are provided by Lower St. Lawrence Power Co.

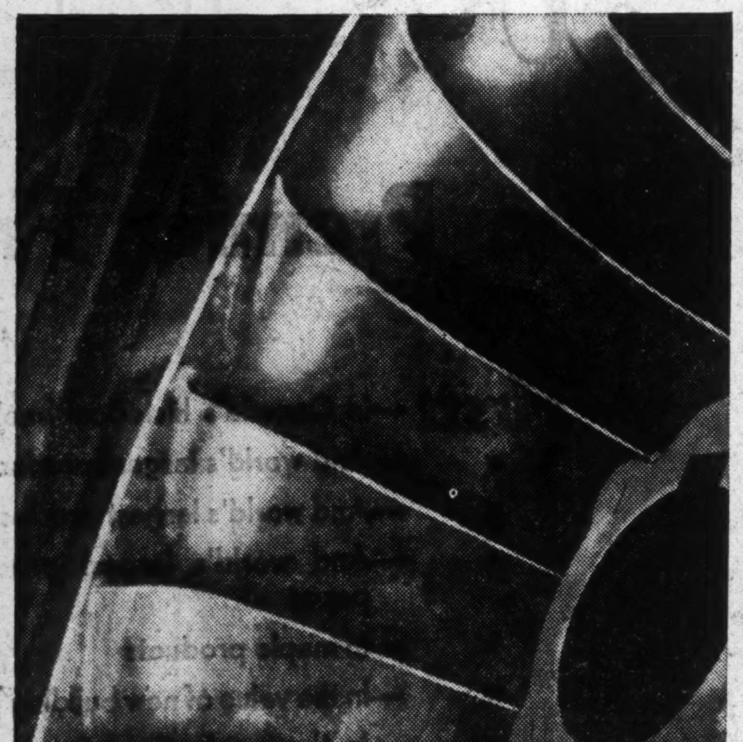
Though relatively small in size compared with some of the other operators, this company provides the service over a wide geographical area. Operations are centered in Rimouski, while retail service is provided to 50 other communities in the area and, in addition, power is provided for Campbellton, N.B.

The area served is not highly industrialized. Services are largely of a domestic nature. Less than 5% of the power sold is used for industrial purposes. Power sales have increased in value from $315,665 in 1939 to over $360,000 in 1941.

Lower St. Lawrence is strengthening its financial position. Much of the surplus income has been used for further extensions and development, with the result net working capital is relatively small. However, the company is able to meet from earnings all its senior charges, including taxes which have increased nearly 200% over the last three years.

AIR WAVE VIBRATIONS

When the radio announcer signs off for the day with: "Good night, etc., we are broadcasting on a frequency of 1,000 kilocycles," he means that one million vibrations a second are coming from the broadcasting antenna of the station.



Extraordinarily blessed with falling water, Canada's war effort is great because men of vision and of science have harnessed mammoth natural forces. Blades of a giant turbine as portrayed here need care and highly skilled workmanship.

Gas Industry

(Continued from page 26)

with reserve fields at Bow Island and Foremost. Over 99% of the gas supplied has come, since 1930, from Turner Valley. The company does not drill for gas itself but purchases its supply from other operators.

Recent reports have emphasized the declining rock pressure in Turner Valley. Repressuring operations with surplus gas from Turner Valley was carried out from 1930 to 1939 in the Bow Island field, but has been stopped on instructions from the Petroleum and Natural Gas Conservation Board.

The company's franchises were received in 1939 and 1940. In Calgary it holds a perpetual but non-exclusive franchise and in Lethbridge, second largest community served, a non-exclusive franchise.

City Gas

Position of City Gas & Electric Corp. has not undergone any major change for the better.

This is one of the smaller utility enterprises in Quebec.

The company represents an amalgamation of a number of properties including an electrical system in Yamaska County; an electrical and water works system at Amos; a water works system at Ste. Thérese; a grist mill and factory at Huntingdon. The principal asset is a franchise to manufacture and distribute gas in Three Rivers.

Cities Heating

Cities Heating Co. operates a central steam heating system in the business district of London, Ont., on a 30-year franchise granted in 1928. Capital stock is privately held with public investment interest being confined to the 4½% first mortgage sinking fund bonds due Nov. 1, 1955, which are secured by a specific first mortgage on the property and a floating charge on all other assets.

For the year ended May 31, 1940, the company had net earnings before depreciation of $24,963 compared with $20,948 the previous year. Properties are carried at $303,922 after depreciation of $131,364.

HARNESSED TO THE NEEDS OF A NATION AT WAR

Electricity has been mobilized for the March of Freedom . . . From the heavy industries served by our great utilities to the smallest devices used in planes, ships, and weapons of war, controlled electrical power is indispensable. In this ever-widening field, Phillips reliable electrical products are found in a multitude of uses from self-contained electrical devices to parts and components in war equipment being produced by our industrial system keyed to Canada's war effort.

The half century of service and experience in meeting the needs of Canadian Industry has fitted the Phillips Electrical Works Limited to take the strain and meet the exacting and heavy demands for its products from Industrial Canada, demands which carry its wire, cable and communication products into all industries.

The products of the Phillips Electrical Works Limited are maintaining their established reputation for quality and dependability.

Some Phillips Products:

POWER CABLE TELEPHONE WIRE AND CABLE TELEGRAPH WIRE
MAGNET, AUTOMOTIVE, AIRCRAFT AND BUILDING WIRE
PRIVATE AND PUBLIC TELEPHONE EXCHANGE EQUIPMENT TELEPHONES
TELEPHONE PROTECTIVE APPARATUS TRANSMISSION CABLE

PHILLIPS Electrical Products

General Distributors:

CANADIAN TELEPHONES & SUPPLIES LIMITED

284 KING STREET WEST, TORONTO, ONTARIO

MONTREAL, OTTAWA, BROCKVILLE, HAMILTON, WINNIPEG, REGINA, EDMONTON, VANCOUVER

Export Distributors: AUTOMATIC ELECTRIC SALES COMPANY LIMITED, CHICAGO

Canadian Utilities Abroad

Overseas Units' Position Dependent Fortunes of War

Porto Rico Power

Operations of Porto Rico Power Co., subsidiary of International Power Co., continue satisfactory. Economic conditions in the area served have improved as a result of greater demand for sugar. Demands for the company's services are expected to result in increased earnings.

This company serves San Juan, capital and largest city of Porto Rico, and other municipalities on the island with electric light and power. Also operated is a tramway system in San Juan and suburbs, together with the steam railway connecting the terminus of this tramway at Rio Piedres with Caguas, 18 miles distance.

Earnings Well Developed

In 1940—the last year for which complete returns are available—earnings on the common amounted to $15.10 a share, as against dividend payments of $8 a share. Working capital has been somewhat weak in recent years, but it is noted that steady progress is being made in reducing loans and other charges for capital expenditures in connection with plant extensions.

At various times there have been movements on the island to set up a publicly owned electric system. The movement seems to have died down in the last two years.

The girls who take your telegraph messages, be they reports, rage or romance. They are war workers because swift, accurate communications are essential in building and guiding Canada's swelling war effort.

Demerara Power

Improvement in the position of Demerara Electric Co., controlled by International Power Co., is indicated in the fact that a dividend of 5% was paid on the capital stock in 1940. This was the first payment made since 1915.

Operations consist of supplying light and power and are centred in Georgetown, British Guiana. Gross income has shown a moderate but consistent rise in recent years.

Earnings have been available on the common stock for some years, but directors have adopted the policy of improving working capital. Excess of current liabilities over current assets was reduced from nearly $500,000 at the end of 1934 to $106,000 at the close of 1940.

Outstanding is a mortgage debenture stock issue in which there is a direct public investment interest.

Twin City

Twin City Rapid Transit Co. passenger revenue for 1941 totalled $8.5 millions, an increase of $229,153 or 2.76% over 1940. This increase in passenger revenue resulted from a gain in the number of passengers carried and from the higher fare charged. Operating expenses at $7.5 millions were up $176,714. Savings were made in the expenditures for materials and for miscellaneous expenses so that the net increase in operating expenses was less than the increased labor costs.

During 1941 installation of a large, high-pressure steam boiler was completed at a cost of $251,000. This equipment is expected to mean a considerable economy and full cost of the boiler will be saved in approximately 5 years.

The labor contracts which provide for wage increases effective January 1, and June 1, 1941, increased labor costs $188,609 for the year 1941. The increased labor costs for a full year at the wage rate as of June 1 is in excess of $250,000. The company has again been confronted with demands for still larger increases in wages upon which a settlement has not yet been made.

Through subsidiaries Twin City controls the entire street railway system in Minneapolis and St. Paul, and operates bus lines and suburban railway lines in the vicinity.

Barcelona Traction

Operations of Barcelona Traction, Light and Power Co. are gradually getting back to something approaching normal levels after the disruption caused by the Spanish Civil War.

Production of hydraulic power during 1941 was a record and the present hydraulic situation will secure the supply of power during the dry season period. The question of exchange is now the chief preoccupation of the company. While net earnings for 1941 of the operating companies when made available are expected to show a satisfactory improvement over 1940, the exchange situation shows no improvement whatever. It is impossible at present to get any remittance from Spain.

The company recently presented its 22nd annual report covering the period Jan. 1, 1936 to Dec. 31, 1940. From July, 1936, to Jan., 1939, the Workers Committee assumed complete control of the enterprise and results obtained for that period are unknown. During the five-year period incomes from investments in subsidiary companies, due and accrued but not received, amounted to $13.8 millions. After provision for bond interest and sinking funds $5.6 millions was carried to earned surplus. To cover losses of the subsidiaries due to physical damage, other losses and bond interest during the civil war $17.6 millions was appropriated. This absorbed all the surplus reserve and revenue balances of the company and left a net deficit of $3.5 millions.

Brazilian Traction

Brazilian Traction, Light & Power Co. is Canada's largest enterprise abroad.

Through subsidiaries and controlled companies, Brazilian serves the cities of Rio de Janeiro, Sao Paulo, Santos and the surrounding district in southeastern Brazil with tramway, electric light and power, gas, water and telephone services.

The approximate population served is as follows: traction, 3,993,000; electric light and power, 5,477,000; gas, 2,577,000; water, 179,000; telephones, 13,250,000.

Combined services offered by the subsidiaries have continued to grow for the past several years. Although the report for 1941 is not available as yet indications are that this growth was continued. Gross earnings last year were up 13.34% and net earnings after operating expenses, up 20.37%. This would indicate a likelihood of an increase in net profits over the $9.3 millions reported for 1940 which was equivalent to $1.31 a share on the company's common stock.

Although the company has had substantial earnings for a number of years and its financial position would have justified payment of dividends, difficulty in obtaining foreign exchange with which to transmit profits out of Brazil has meant irregular returns to shareholders for a number of years.

A dividend of 40 cents a share was paid Dec. 22, last, the first payment since 50 cents was paid in July, 1938. There seems reasonable expectation that further payments might be made from time to time so long as earnings continue around current levels and funds can be exported from Brazil.

Extension of the war has materially reduced Brazil's European market, but growing trade with other countries in the Western Hemisphere has helped to alleviate the exchange shortage.

Mexico Tramways

Mexico Tramways operates the electric tramway system in Mexico City and vicinity. The latest report available, that for 1940, showed a net loss for the year of $221,462 against a net loss in 1939 of $459,447. Daily earnings in the passenger service for 1940 showed improvement over the previous year, due partly to the growth of population in the district served, and partly to certain improvement in the service. The company has been forced to accept by the government a high-wage system which allegedly has caused an inability by the company to maintain rolling stock and tracks, with the result that conditions on the routes had become serious. The Mexican government has a commission investigating traffic conditions in the Federal District of Mexico. The recommendations of this commission will probably further affect operations of Mexico Tram.

Bolivian Power

Bolivian Power Co., controlled by International Power Co., operates the light, power, tramway and telephone utilities of La Paz, the principal city in Bolivia; also supplies light and power to the town of Viacha, as well as operating a hydro-electric development at Miguilla, supplying energy to Oruro and surrounding mining districts.

Operating and financial returns of this company are incorporated with those of International Power. Steady progress is indicated by the fact gross earnings have consistently advanced and by an extension in 1941 of 2,000 h.p. to the hydro-electric plant serving the city of La Paz.

Public investment interest in this enterprise is confined mostly to the first mortgage bonds, of which a little over $1.1 million were outstanding at the beginning of 1941.

Mexican Light

Mexican Light and Power Co. has in recent months been benefitting from a combination of circumstances, namely higher tariffs which became effective June 15, 1941, along with generally favorable business conditions. The water situation is also understood to be improved and most of the restrictions on the use of electricity have been removed. This company directly and through subsidiaries supplies light and power services to Mexico City and certain other areas.

At a meeting in October bond holders approved a reorganization plan whereby maturity of the company's first mortgage bonds was extended to Feb. 1, 1950, the rate of interest to continue at 5%. Junior security issues were placed on an income basis under the term of the plan. The company's bonds had been in default since 1939 on interest payments, and since Feb. 1, 1940, on principal.

Foreign Power

Affairs of Foreign Power Securities, controlled by Power Corp. of Canada, continue obscure. Formed in 1927, this company invested some $10 millions in French utility securities, the principal investment being in the L'Energie Industrielle and Energie Electrique Rhon et Jura. The company has a stake in many other French utility properties which serve a very considerable area of France.

Directors of Foreign Power Securities have little knowledge of where the company stands in relation to its investments in the German occupied area. Other investments in the "free" area of France are of no immediate value to the company, inasmuch as the utilities concerned cannot send funds outside the country, though in some cases dividends have been declared.

In Difficult Position

The situation in Europe is such that it will be some time before the company can determine the value of its investments, Foreign Power began to experience difficulties before the war started and the Sept. 1, 1939, bond interest coupons were passed. Dividend arrears on the preferred were allowed to accumulate until at the end of last October they totalled $57 a share.

While the earning power of the company has declined to less than $18,000, the company has taken advantage of the situation to purchase its own bonds. The funded debt at the end of last October was $1.7 million, still greatly in excess of the apparently realizable assets.

Behind every bullet and shell Canada is making to blast Hitler's designs is harnessed power. It is the enterprise and vision of men far away and makes it possible for this war plant worker to touch a button, spin his lathe and form gun barrels.

We Must Move Faster

Hundreds of vehicles carrying passengers and war material are being delayed by traffic congestion.

What is the result? Production of war materials is seriously slowed down because trucks, trams and buses are constantly blocked. All traffic is snarled in the centre of overloaded streets which have been cut to one half their traffic carrying capacity by "parked automobiles".

Our passengers want to go faster. We want to carry them faster — and we can if trams and buses are not held at a standstill by street congestion.

The streets tody are more than thoroughfares. They have become lines of communication in the production fight of 1942.

Traffic lanes now blocked by "parked cars" should be made available for moving traffic in order that streets may be used to their full capacity from curb to curb for the transportation of men and material.

This year of battle demands action. Street movement must be accelerated. Everyone can play a part. It is an imperative need of war. The cooperation of all concerned is necessary to cut away this serious bottleneck which chokes our streets.

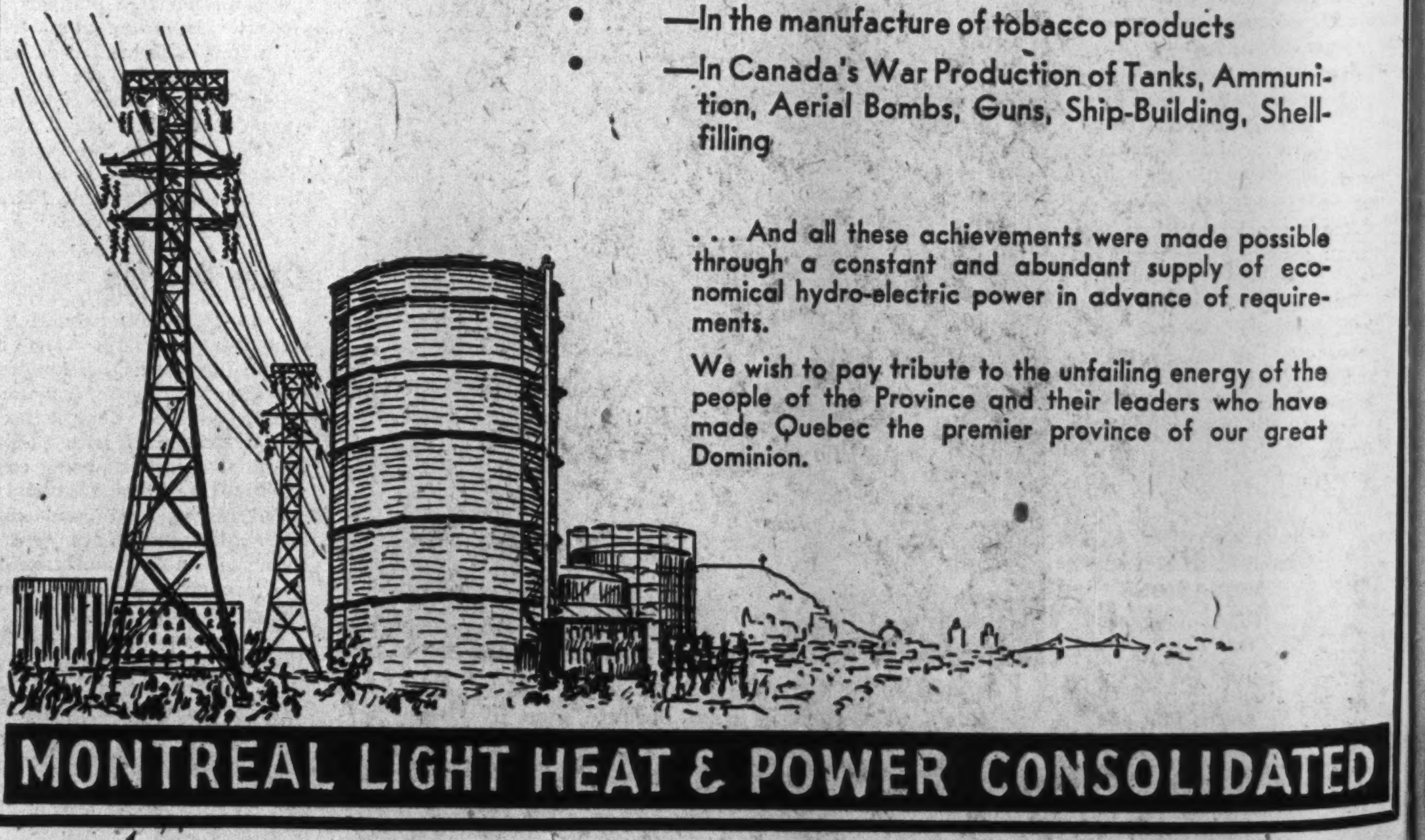
MONTREAL TRAMWAYS COMPANY

Quebec — the Premier Province

First:
- —In Canada's historical background
- —And world's largest producer of Asbestos
- —And world's largest producer of Aluminum
- —And world's largest producer of newsprint paper
- —In maple products
- —In the value of new building construction in 1941
- —In the production of cotton textiles, silks and artificial silk
- —In the manufacture of tobacco products
- —In Canada's War Production of Tanks, Ammunition, Aerial Bombs, Guns, Ship-Building, Shell-filling

. . . And all these achievements were made possible through a constant and abundant supply of economical hydro-electric power in advance of requirements.

We wish to pay tribute to the unfailing energy of the people of the Province and their leaders who have made Quebec the premier province of our great Dominion.



MONTREAL LIGHT HEAT & POWER CONSOLIDATED

"Bits & Pieces"

Workshop Board Formed to Centralize Munitions Work

Public Utilities Wartime Workshop Board was formed nine months ago to centralize the facilities of the various public utilities in Canada to aid the war effort.

Since that time member companies have manufactured over 16,300 different items and orders for work on hand are valued at more than $300,000.

Covers Whole Industry

This branch of the "Bits and Pieces" programme represents the Bell Telephone Co. of Canada, Canadian Electrical Assoc., Canadian Gas Assoc., Canadian Transit Assoc., and the Hydro Electric Power Commission of Ontario.

At the outset it was decided the public utilities could be of assistance to the war programme in three ways.

(a) Training of military personnel in their maintenance workshops and garages for the Department of National Defense, in conjunction with the Wartime Bureau of Technical Personnel at Ottawa.

(b) The manufacture of "Bits and Pieces," particularly those which tend to form bottlenecks in the Canadian munition producing industries.

(c) Training of civilian personnel in their various workshops engaged in wartime activities.

The larger organizations such as the Montreal Tramways Co., the Bell Telephone Co. of Canada, Toronto Transportation Commission, St. Maurice Transport, Quebec Power Co., etc., offered the facilities of their maintenance shops, garages and transportation systems, for the training of military personnel.

It was found that the Army could not take advantage of this offer, as yet, bulk of the need being met by technical schools and other sources.

Co-operate Not Compete

Co-ordinators were appointed to contact war industries and prime contractors, and explain to them the aims of the Board. In doing this the utilities had no desire or intention of competing with regularly constituted manufacturers of machine parts, but were simply attempting to utilize their machines and workshops during idle hours.

Montreal Tramways Co. and the Shawinigan Water & Power Co., due to their favorable location, were first to secure orders from prime contractors. Their shops have since been running at capacity.

The Toronto Transportation, Hydro Electric Power Commission of Ontario, and the Montreal Light, Heat & Power Cons. followed closely.

Wide Variety of Work

The "Bits and Pieces" at present being machined in the various shops of the Utilities, include the following:

Trunnions for Tanks
Couplings and covers for pumps.
Rudder control pinions for planes.
Fuel cock control sleeves for planes.
Cylinders for pumps.
Heavy plate and head covers for tanks.
Brackets for tanks.
Brass plugs.
Gland bushings.
Eye bolts—special screws.
Bevel rings—latches.
Guard rails.
Indicator discs.
Shafts.
75 mm. armor piercing shot.
Elevating shafts for A.A. guns.
Special studs for cargo engines.
High pressure cylinders for marine engines.
Eccentric sheaves and straps.
And other parts.

Add to Personnel

To carry out the schedule of production, it has been necessary to increase the personnel of these shops which are now running two to three shifts per day.

Untrained men and students from technical schools have been taken on as apprentices and are being given training as machinists.

Several of these men have already secured machinist jobs as trained help in war industries.

Help Own Customers

At the request of some of the larger member companies that are well informed on the facilities available in the privately owned shops located in their territory, work was secured by the Board for machine shops that are customers of the utilities.

Three of the larger shops in the Quebec area were given work for approximately 14 months, and having a value of at least $100,000.

B. C. Electric Railway Co. reported the utility shops in British Columbia are small and that the privately owned shops have sufficient equipment to take care of all work available in that area.

The Nova Scotia Light & Power Co. has done half a million dollars worth of work for the government—this was a special job and had no connection with the Public Utilities Wartime Workshop Board.

Suitable Work Limited

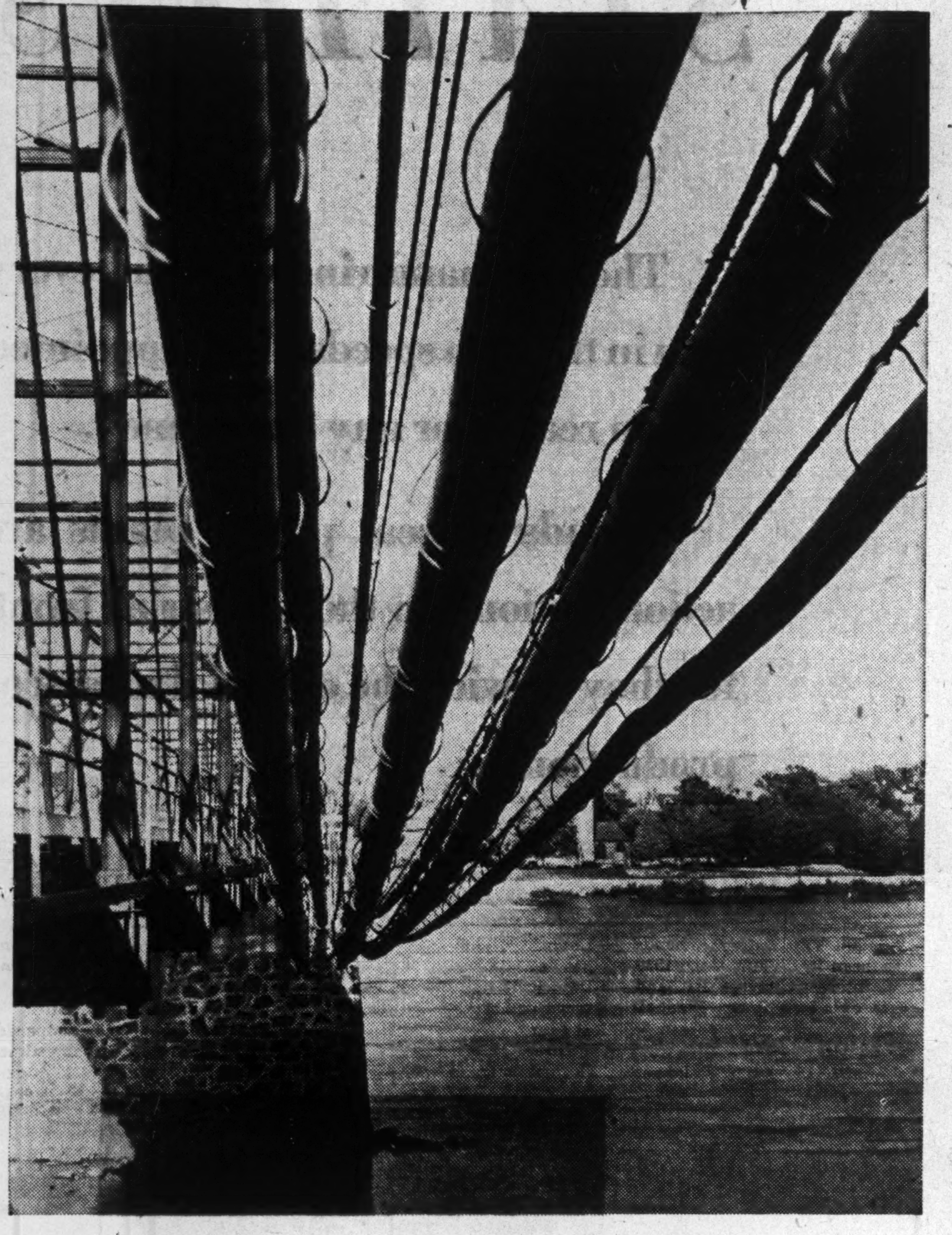
In general, after nine months experience, during which time all major war industries have been visited, the Board reported to member companies that under present conditions, there are more facilities available for doing work than there is suitable work available.

This condition seems to be increasing for the following reasons

(a) Scarcity of raw materials.

(b) Shortage of certain large key machine tools in prime contractors' plants.

(c) More shops becoming available due to restriction on production of domestic requirements, that is, depressed industries such as washing machines, vacuum cleaners, electrical appliances factories, etc.



Vital to the job of the power and communications industry in wartime are the transmission lines which carry energy and messages across the Dominion. Growth of these two services has meant parallel development of the facilities and engineering skill of the cable companies. In addition to their jobs for the public services, the cable makers have added new functions in war, anti-mine degaussing cables for ships, barrage balloon cables for anti-aircraft work being among their new duties.

War + Power = Record Sales

Quebec Utilities in 1941 Set Pattern of Whole Industry

Quebec's electrical utilities "went to town" in 1941 with revenue from all power sales reaching the record figure of $68.3 millions, according to the provincial Public Service Board. This contrasted with $59.5 millions the year before and which also represented a record figure.

Experience of the electrical utilities in Quebec last year followed the same general pattern as in other provinces. For that reason the detailed analysis of operations prepared by the Board is of more than ordinary interest in showing the experience of power utilities under wartime conditions.

Quebec power operators reported a total generation of nearly 18 billion kilowatt hours, 11.4% greater than in 1940 and an all-time record.

Power For Industry

Of particular interest was the increasingly large amount of the total output which the industry made available to war industries in the form of firm power. Primary sales last year reached the impressive figure of 11 billion kw.h., or 31.5% more than in the previous year. To do this the companies had to restrict sales of secondary power by as much as 41.8%.

Distribution of this primary power reveals clearly the tremendous demands which wartime industries have made. Industrial primary sales in Quebec last year totalled over 10 billion kw.h., an advance of 34.6% over 1940 and by far the largest primary load ever reported by Quebec or any other Canadian province.

With the pick-up in industrial activity, followed increasing employment and greater spending power by the worker. This situation found reflection in an increase of 6% in domestic sales and 8% in commercial sales.

Record Dollar Income

When this record-breaking volume of power sales is translated into dollar revenue, several interesting facts come to light. Revenues from sales in Quebec last year totalled $57.5 millions, an increase of 15.4% Income from export sales at $10.6 millions, mostly derived from Ontario Hydro, amounted to $10.6 millions, an advance of 11.2%.

A breakdown of dollar income shows that industrial sales in Quebec brought in 22.1% more revenue in 1941 than was the case in 1940. Domestic sales revenue increased 4.2%; commercial, 7.2%; transportation, 1.7%; while wholesale power sales to municipalities fetched an additional 16.3% in revenue.

The statistical returns on production and revenue of the principal power operators in Quebec, accounting for 98% of the total, as prepared by the Public Service Board, follows:

YEARLY SUMMARY OF PRODUCTION AND SALES OF ELECTRIC ENERGY IN THE PROVINCE OF QUEBEC BY THE MAIN PUBLIC SERVICES

Production of Electrical Energy
(In kilowatt hours)

	1941	1940
Total generation	17,985,791,741	16,120,067,394
Total sales	16,955,754,980	15,269,360,985
Primary sales in Quebec	11,051,389,611	8,405,231,532
Export (primary)	4,198,660,605	3,936,919,387
Secondary sales in Quebec	1,705,704,764	2,927,210,066

Primary Energy Sold in the Province of Quebec
(In kilowatt hours)

Class of Service:	1941	1940
Domestic	308,790,537	291,013,157
Commercial	310,231,623	287,247,366
Industrial	10,076,524,090	7,485,586,804
Municipal & street lighting	144,828,343	144,085,080
Transport	160,277,617	154,069,551
Wholesale to municipalities	50,737,401	43,229,574
Total	11,051,389,611	8,405,231,532

Revenues From Sales in Quebec

	1941	1940
Domestic	$9,078,577.00	$8,700,322.63
Commercial	8,253,600.70	7,687,828.33
Industrial (primary & secondary)	36,885,763.29	30,210,402.46
Municipal and street lighting	1,828,608.53	1,793,647.53
Transport	1,242,592.99	1,218,711.17
Wholesale to municipalities	392,244.63	337,337.14
Total	$57,681,387.14	$49,948,249.26

Revenues From Export Sales

	1941	1940
Primary energy	$10,646,301.03	$9,616,736.68

Canadian Marconi

All operations of Canadian Marconi Co. have been stimulated directly or indirectly by war.

The overseas telegraph department reflects abnormal conditions, with a decline in commercial traffic, but substantial increase in personal messages. Owing to official secrecy, no information is available on the volume of business handled.

Manufacturing activities have been greatly increased and output for the past year was at an all-time high.

Normally the company supplies equipment on a rental basis to commercial operators and operates radio telephone and telegraph communication systems throughout the Dominion. It manufactures radio equipment for every type of service.

Big Government Orders

Equipping Canada's armed forces with communication equipment has created a greater demand for the company's products. Orders received this year have been substantially greater than last year.

To handle the government contracts, it has been necessary to enlarge manufacturing facilities substantially.

Municipal Systems Expand

Toronto and Winnipeg Typical of Urban War-time Growth

Winnipeg Hydro

The city of Winnipeg has had its municipally-owned hydro-electric system since 1906. That year Winnipeg ratepayers endorsed a by-law to spend $3¾ millions developing a power site on the Winnipeg river, about 75 miles from the city.

Since then the city's system has grown until at the end of 1940 it valued its property and plant at $28.1 millions and had built up total reserves, including surplus, of $15.5 millions. It has built a modern hydro-electric plant at Slave Falls on the Winnipeg river and has established an important subsidiary operation through sale of steam for heating purposes from its central plant.

The city's hydro-electric system is in competition with the privately-owned Winnipeg Electric Co.

For the first time in several years, the city hydro system experienced a sharp increase in demand for electric power in 1940. This increase was continued into 1941, it is understood, although complete report for last year is not yet available. Maximum firm load for 1940 was 83,300 k.w. and firm power sales that year were up nine million kw.h. The system served a total of 103,007 accounts at the end of 1940, a gain of 2,017 during the year.

A year ago it was stated that industrial power for war purposes had not yet felt any great increase but that this condition was rapidly changing. It was stated that the problem to be faced in the immediate future was one in which all production facilities would need to be conserved and organized for the war effort.

At the end of 1940 it was stated that $24.5 millions of city of Winnipeg debentures had been issued for hydro purposes and that a sinking fund of $10.4 millions was held against this debt. The steam heating system had a debt of $1.5 million and sinking fund of $896,765.

Toronto Transportation

Toronto Transportation Commission, owned by the city of Toronto, supplies urban transportation within the city and to surrounding municipalities. Through a wholly-owned subsidiary, Gray Coach Lines, it also supplies inter-city bus transportation in a network which covers most of southern Ontario.

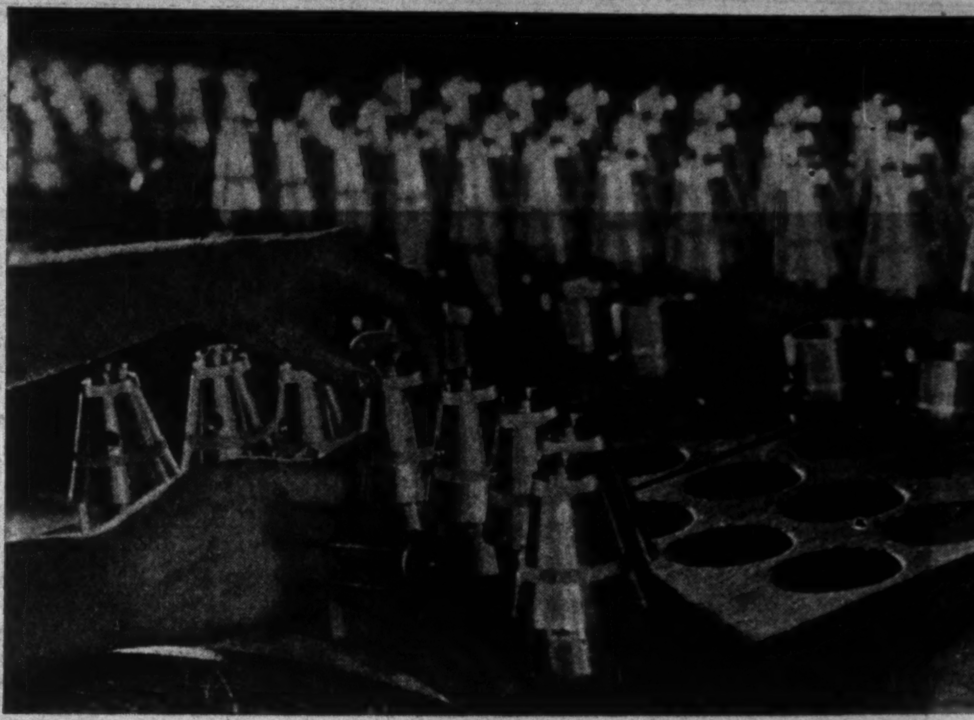
For a number of months the T.T.C. has been forced to cope with a problem of steadily growing demands on its facilities, resulting from war. It was one of the first to adopt staggered hours for industrial workers as a means of levelling off the extreme peak load. Further surveys are in progress and it is expected that additional steps along this direction will be taken.

T.T.C. has been a leader in the purchase of the latest type of stream-lined street cars and it now has a total of 250 of these cars in service or under order for early delivery. Heavy purchases of new street cars and buses, both for urban and inter-urban use, have been financed entirely from reserves which the commission has built up for this purpose in recent years.

Outstanding debenture issue of the commission at Dec. 31, 1940, was $18.5 millions, less than half the original total of all debentures issued by the city of Toronto for commission purposes.

At the end of 1940 the T.T.C. operated 269 miles of tracks and 1,440 miles of bus routes. Of the bus routes, 1,107 miles was classed as inter-urban. Its rolling stock at the date included 907 passenger street cars, 261 motor buses and coaches, as well as auxiliary equipment. The system serves a population in the Greater Toronto area of 875,000.

In 1940, the T.T.C. reported net income, after operating expenses, of just under $5 millions with which to meet interest and retirement of debentures requirements of $2.8 millions. The Gray Coach Lines had a net income, after operating expenses, of $400,306. Passengers carried in 1940 totalled 168.1 millions, higher than in any year since 1931. Since the end of 1940, the continued rise in passengers carried has taken the T.T.C. back to its peak levels of the late 1920's.



The manufacture of explosives requires enormous quantities of electric power. For that vast and vital job, Canadian power utilities were ready. Vast quantities of power are needed for the manufacture of the many delicate mechanisms in fuses which a Canadian worker is here shown assembling.

Bus Charters On New Basis

Unless for charitable or patriotic purposes or work clearly identified with the war effort, motor bus operators will not be permitted to operate charter trips. A ruling to this effect has been laid down by W. J. Lynch, Transit Controller, in order to conserve gasoline and rubber.

No cruising is allowed. All "mystery" or "nowhere" tours are discontinued.

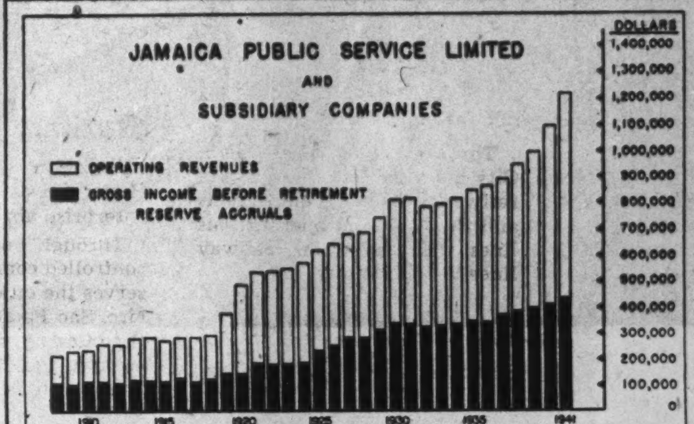
From now on all bus companies must report each month to the Transit Controller a detailed list of all charter coach movements, together with a list of requests for charter coaches which were refused.

MOST PHONES RESIDENTIAL

About 68% of telephones in Canada are residential, while the remaining 32% are business telephones, including public pay stations.

GROWTH AND STABILITY

A PROVEN RECORD



The Upward Trend of This Utility's Business is Shown in the Following Table:

Year	Operating Revenues	Gross Income Before Retirement Reserve Accruals	Year	Operating Revenues	Gross Income Before Retirement Reserve Accruals
1910	$240,066	$122,637	1936	$866,947	$346,246
1915	274,317	123,540	1937	889,650	374,643
1920	490,180	151,288	1938	953,489	385,850
1925	623,381	236,114	1939	998,733	398,660
1930	819,436	339,300	1940	1,096,831	414,524
1935	852,636	350,575	1941	1,224,083	431,679

All figures converted from £ Sterling at the rate of $4.86-2/3 to the £1

CONSOLIDATED CAPITALIZATION

Outstanding in the Hands of the Public, Dec. 31, 1941

DEBENTURE STOCK:

Jamaica Public Service Company, Limited

Series "C" 4½'s, due 1965 (£383,634) $1,867,019

PREFERENCE SHARES:

Jamaica Public Service Company, Limited

Preference 7% Cumulative, $100 par value....$417,400
Preference "B" 7% Cumulative, £1 par value.... 314,167
Preference "C" 5% Cumulative, £1 par value.... 323,000
Preference "D" 5% Cumulative, £1 par value.... 438,000

CAPITAL STOCK:

Jamaica Public Service Limited

No Par Value .... 135,000 shares

Jamaica Public Service Limited, a Canadian company, owns all of the Ordinary and certain of the Preference shares of Jamaica Public Service Company, Limited.

Jamaica Public Service Company, Limited, does the entire electric lighting and power business in Kingston and adjacent territory, and also operates the electric tramway system. Through a wholly own subsidiary, this company provides all the electric lighting and power and ice business in Montego Bay and Port Antonio, which communities rank next in size and importance to Kingston, the principal city on the Island. Combined population served by both operating companies is estimated at 150,000. Operating revenues for 1941 were derived 78% from electric, 19% from transportation and 3% from ice business.

Dividends on all classes of Jamaica Public Service Company, Limited, Preference shares have been paid regularly since their issuance. Quarterly dividends at the annual rate of $1.00 per share were inaugurated on the capital stock of the Canadian company on October 1, 1930, which annual rate was increased to $1.50 per share beginning October 1, 1935, to $1.75 per share beginning October 1, 1936, and to $2.00 per share beginning April 1, 1939. Effective January 19, 1940, the capital stock of the Canadian company was subdivided on the basis of 3 new shares for one old share which increased the outstanding shares to 135,000. Beginning April 1, 1940, regular quarterly dividends of 17 cents per share have been declared on the 135,000 shares outstanding, which rate on an annual basis is equivalent to 68 cents per share.

Jamaica Public Service Limited

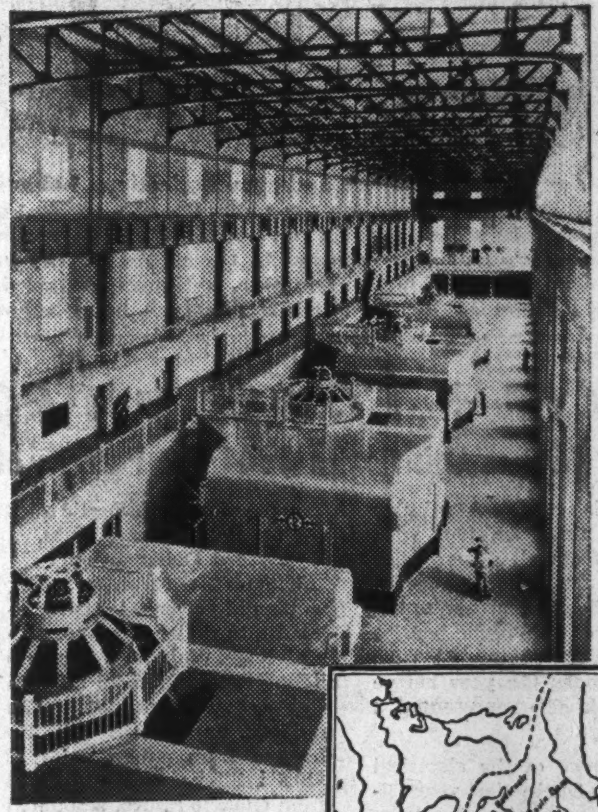
and Subsidiary Companies

Serving
MONTEGO BAY — KINGSTON — PORT ANTONIO
JAMAICA, B.W.I.

"ACTION STATIONS!"

The command rings out and every man in the ship speeds to his appointed station ready for any emergency.

Canada's great power plants are action stations on the industrial front, for they provide the essential means of production.



Interior view of the 178,000 h.p. plant of St. Maurice Power Corporation at La Tuque. This is an integral part of the Shawinigan system.

Action Stations in Industry

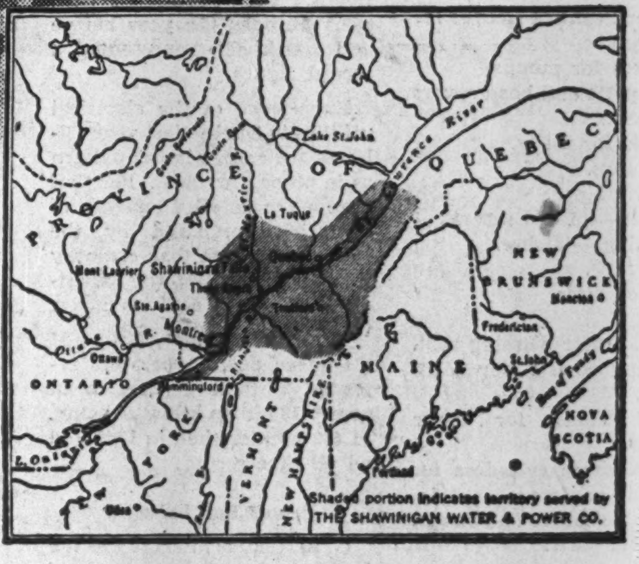
To-day, in a two ocean war which involves the whole world, North America is the main centre of industry with electric power its sure foundation. One-seventh of the world's developed hydro-electric power is on this continent.

The productive capacity of North America spells the doom of Hitlerism, for the overwhelmingly superior manpower of the United Nations will out-strike the enemy when production reaches its peak.

The Shawinigan Water & Power Company with one of the largest single concentrations of hydro-electric power in the world under one control — nearly 1,250,000 h.p. installed capacity — is a mighty factor in Canada's production.

Winning Canada's To-morrow

When victory is won, as the shattered world rebuilds, Canada with its great reserves of developed and potential hydro-electric power will take her place in the forefront of the march towards new horizons.



A sketch map showing the area of the province of Quebec served by The Shawinigan Water & Power Company.

The Shawinigan Water & Power Company

MONTREAL • **CANADA**